FINAL

2015/16 REVIEW

NEWCASTLE MUNICIPALITY INTEGRATED DEVELOPMENT PLAN 2012 T0 2017



OFFICE OF THE MUNICIPAL MANAGER
NEWCASTLE MUNICIPALITY
23/05/2015

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LIST OF ACRONYMS

ADM	-	Amajuba District Municipality
AG	-	Auditor General
ASGISA	-	Accelerated Shared Growth Initiative for South Africa
CBD	-	Central Business District
COGTA	-	Co-Operative Governance and Traditional Affairs
DBSA	-	Development Bank of South Africa
DHS	-	Department of Human Settlement
DOT	-	Department of Transport
EIA	-	Environmental Impact Assessment
EMF	-	Environmental Management Framework

EXCO	-	Executive Committee
FBS	-	Free Basic Services
GGP	-	Gross Geographical Product
GRAP	-	Generally Recognized Accounting Practice
GIS	-	Geographical Information System
HIV/AIDS	-	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IDP	-	Integrated Development Plan
IGR	-	Inter Governmental Relations
JBC	-	Johnstone Blaauwbosch Cavan
KPA	-	Key Performance Areas
KZN	-	KwaZulu-Natal
LED	-	Local Economic Development
LUMF	-	Land Use Management Framework
LUMS	-	Land Use Management System
MEC	-	Member of the Executive Council
MFMA	-	Municipal Finance Management Act
MPAC	-	Municipal Public Accounts Committee
MIG	-	Municipal Infrastructure Grant
MTEF	-	Medium-term Expenditure Framework
NDBG	-	Neighbourhood Development Partnership Grant
NLM	-	Newcastle Local Municipality
NRW	-	Non-Revenue Water
NSDP	-	National Spatial Development Perspective
PGDS	-	Provincial Growth Development Strategy
PMS	-	Performance Management System
PTO	-	Permission to Occupy
RSC	-	Regional Service Centre
SCM	-	Supply Chain Management
SEA	-	Strategic Environmental Assessment
SDF	-	Spatial Development Framework
SDP	-	Site Development Plan
SMME	-	Small, Medium and Micro Enterprise
TLC	-	Transitional Local Council
WCDM	-	Water Conservation Demand Management
WSDP	-	Water Services Development Plan

WWTP - Waste Water Treatment Plant

SECTION 1:
EXECUTIVE SUMMARY

1. INTRODUCTION.

1.1. PURPOSE.

This document presents an Integrated Development Plan (IDP) for Newcastle Local Municipality (NLM). The IDP is prepared in compliance with the requirements of Chapter 5, particularly Section 25 of the Local Government Municipal Systems Act (Act No. 32 of 2000), which obligates municipal council to adopt a single, all inclusive and strategic plan for the development of the municipality, within a prescribed period after the start of its elected term. The IDP outlines a development agenda for the municipality for the period 2012 to 2017. It informs the budget and also tries to respond to the aspirations and needs of the community. It is a document that sets the level of economic growth for the city through the identification of economic opportunities and areas of investments. Newcastle is well known for its abundance of industrial development, particularly the manufacturing sector and service sector which are central to its growth and development.

1.2. INTRODUCTION TO NEWCASTLE MUNICIPALITY.

Figure 1: Location of Newcastle within South Africa.

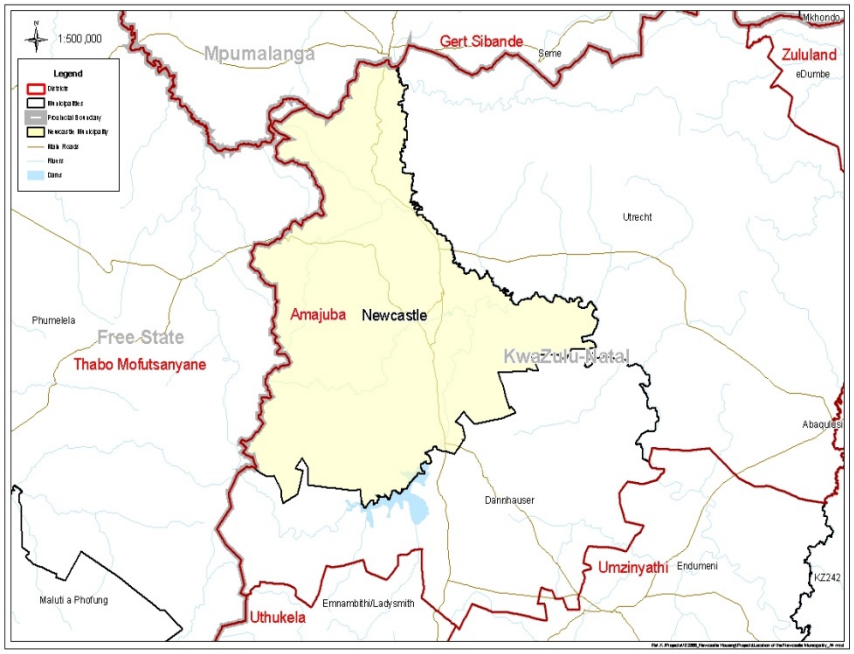


The city of Newcastle started off life as Post Halt Two on the journey between Durban (then Port Natal) and the Zuid-Afrikaansche Republiek (Transvaal) and Johannesburg. It was strategically placed in the year 1854 by the Surveyor General of the Natal Colony, Dr. P. C. Sutherland. The city was later known as the Waterfall River Township because of the Ncandu River. In 1864 the town of Newcastle was founded on the site becoming the forth settlement to be established in natal after Durban, Weenen and Pietermaritzburg. Newcastle was named after the British Colonial Secretary, the Duke of Newcastle. In 1873 Newcastle became a separate electoral division. In 1876 the Fort Amiel was built as a barrier against the Zulus. To commemorate Queen Victoria's diamond '60th Jubilee,' in 1897, a sandstone construction of the town hall started and it was completed two years later. The town was used as a depot by the British during

both the First and Second Boer War. Newcastle functioned as a major transport junction and a popular stopover for wagons and post chaises during the late 19th century. Newcastle also served as an arena when the British preparation work for the Pretoria Convention of 1881 was done. In 1890, the first train arrived in Newcastle and in the year 1891, Newcastle was declared a district with its own administrative unit. The discovery of coal brought a new era of prosperity and several ambitious building projects were planned.

Newcastle Local Municipality is one of the three local municipalities that make up Amajuba District. It is located on the North-Western corner of KwaZulu-Natal, and borders onto Free State and Mpumalanga provinces to the West and North respectively. Utrecht and Dannhauser local municipalities are located along the Eastern and Southern boundary. It covers an area of approximately 1854km^2 in extent. The total population of NLM is estimated at 363 236 people spread unevenly among thirty one (31) wards, with close to 80% of the total population residing within the Newcastle East area. The population of Newcastle is relatively young with 46% of the population being younger than 19 years of age, while the age group between 20 and 34 years of age accounting for 27% of the population. Newcastle accounts for 73% of the total Amajuba District population.

Figure 2: Location of Newcastle within Amajuba District.



The municipal boundaries were delineated in terms of the Municipal Demarcation Act, (Act No. 27 of 1998) and takes into account population movement trends, regional economic patterns and the current land use pattern. As such, the boundaries are not just administrative, but are also intended to promote social and economic development while also strengthening regional economic and functional linkages.

Newcastle is well placed to benefit from regional economic growth given its strategic location at the nexus of major tourism, logistics, farming and industrial routes, and as the seat of government in the province of KwaZulu-Natal. Newcastle is centrally located in the Northern region of KZN, halfway between Johannesburg and the harbours of Durban and Richards Bay, hence contributing to the export of manufactured goods and distribution to the Gauteng market. Newcastle is also provided with good access infrastructure to these areas, which includes road and rail networks. It is situated on the national rail route between the Durban Container Terminal and City Deep in Gauteng, and has within its confines, major rail exchange yards, supporting railway stations and extensive goods conversion/warehousing facilities.

The city's local authority has jurisdiction over the surrounding maize, livestock and dairy farms as well as industrial areas such as Karbochem, Mittal steel South Africa (previously ISPAT/ISCOR), and the textile and service industry. In addition, the city is also well endowed with coal reserves hence opportunities for coal mining within the area.

Arcelor Mittal produces over 105 million tons of steel products annually. Although the Arcelor Mittal steelworks and the Karbochem synthetic rubber plant dominate the Newcastle industrial portfolio, there is a wide range of manufacturing undertakings sharing in the success of the region. Newcastle has welcomed many Chinese and Taiwanese into the region with the addition of over a hundred textile factories.

During the year 2002, the chrome chemical plant was completed in Newcastle which comes as a clear reflection of the city's industrial future. This joint venture project between Karbochem and German specialist chemical manufacturing giant LANXESS has made Newcastle the largest producer of chrome chemicals in Africa. The company announced an investment of €40 million (almost R600 million) in 2012 towards the construction of a CO_2 plant at its site. Mittal Steel also recently completed a R400 million project to rebuild one of its coke batteries. Other large operations include a diamond cutting works, various heavy engineering companies, steel reinforcement and slagment cement factories.

The Blackrock Casino Entertainment Hotel provides much entertainment to Newcastle and the surrounding areas. The newly built R500 million Newcastle Mall (by Zen prop), adjacent to the Blackrock Casino Entertainment Hotel, serves as a one-stop shopping destination for

the wider region. Current urban developments in Newcastle entail the new multi-storey Civic Centre, the 80 million expansion of the Victoria Mall, the Meadowlands Estate in Madadeni (residential estate with an open 30 000m² shopping mall), major extensions and upgrade of the Madadeni Hospital (set to become a regional hospital), a R100 million upgrade of the Madadeni Police Station, the Vulintaba Estate, more development at the corner of Allen street along Trim Park, a new Mercedes-Benz dealership next to the Newcastle Mall, the development of the Heartlands Dry Port next to the train station, and the possible extension of the Newcastle Airport. From the 1880s, Newcastle experienced rapid economic growth. Today Newcastle has the largest concentration of industry in the North-Western KwaZulu-Natal region.

1.3. OBJECTIVES OF THE INTEGRATED DEVELOPMENT PLAN.

The Newcastle Municipality's IDP adopts a long term planning horizon, but also presents a short to medium term strategic agenda and a detailed five year programme commencing in the 2012/2013 financial year and ending in 2016/2017 financial year. This period coincides with the term of office of the incumbent council and aligns with the budget cycle. The IDP is prepared in accordance with the requirements of the Municipal Systems Act (Act No. 32 0f 2000) and the associated regulations (refer to Box 1), and is intended to serve as a strategic guide for public sector investment and development generally. It is based on the issues articulated by all stakeholders and is informed by the national and provincial development imperatives. The objectives of Newcastle Municipality's IDP are as follows:-

Box 1: Section 25 (1) of the Municipal Systems Act (2000)

Each municipal council must, within a prescribed period after the start of its elected term, adopt a single, all inclusive and strategic plan for the development of the municipality which-

a) Links integrates and coordinates plans and takes into account proposals for the development of the municipality;
b) Aligns the resources and capacity of the municipality with the implementation of the plan;
c) Complies with the provisions of this Chapter; and
d) Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

- To guide decision making in respect of service delivery and public sector investment.
- To inform budgets and service delivery programs of various government departments and service agencies.
- To coordinate the activities of various service delivery agencies within Newcastle Municipality's area of jurisdiction.

- To engage communities and other key interested and affected parties in municipal affairs, particularly the continuous integrated development process.
- To position the municipality to make a meaningful contribution towards meeting the district and provincial development targets and priorities.

1.4. SCOPE OF THE NEWCASTLE IDP.

In line with Section 26 of the Municipal Systems Act (Act No. 32 of 2000) which prescribes the key components of an IDP, and the focus on development outcomes, Newcastle Municipality's IDP is presented in four main sections as follows:-

- An outline of the key development issues and trends based on an analysis of the current level of development (**Situational Analysis**).
- A strategic framework which outlines Council's long term vision with specific emphasis on the municipality's most critical development objectives, actions plans and strategies (**Development Strategy**).
- A capital program including a one year program, three year program aligned to the Medium Term Expenditure Framework and the Five (5) Year Plan (**Capital Investment Projects**).
- An implementation framework which includes sector plans particularly the financial plan, spatial development framework, organizational performance management system and an organizational transformation and institutional development plan (**Integration**).

The IDP will inform the Medium Term Expenditure Framework (MTEF), and guide the annual budget process. Chapter 4, Section 21(1) of the Municipal Finance Management Act (MFMA No. 56 of 2003) requires a municipality to align and sustain a close functional link between its IDP and the budget.

1.5. APPROACH.

The approach adopted in the review of the IDP for the 2015/16 financial year was strongly guided by the guidelines prepared by the Department of Co-Operative Governance and Traditional Affairs (COGTA) as set out in the Revised KZN IDP Framework Guide dated 12

February 2013. The guide pack advocates for a process that is integrative, sustainable, issue driven, people-centred, practical and action oriented.

1.5.1. PUBLIC PARTICIPATION.

The IDP preparation process involved extensive stakeholder and public participation as required in terms of the MSA (Act No. 32 of 2000). At least four IDP Representative Forum meetings were held, each coinciding with a distinct phase in the process. In addition, several meetings were held at ward level to establish community development needs and consult communities on municipal business generally. Budget/IDP Road shows also provided valuable input into the process. Moving forward, the review of the IDP will also follow the same process.

1.5.2. IDP PROCESS PLAN – ACTIVITIES AND TIMEFRAMES.

The schedule below indicates the process followed towards the preparation of the IDP and its alignment with the budget.

EVENTS	DATES	RESPONSIBILITY
Draft IDP Assessments	07 – 29 April 2014	Director IDP
Submission of Final IDP to COGTA	10 June 2014	Director IDP
IDPs submitted to COGTA/MEC Panel	10 July 2014	Director IDP
Joint meeting for IDP, Budget and PMS for alignment purposes	31 July 2014	Director IDP
Submission if the Draft Process Plan to COGTA	31 July 2014	Director IDP
Advertisement of the IDP Process Plan to members of the public	29 August 2014	Director IDP
First IDP Representative Forum: ▪ Presentation of the Process Plan. ▪ The provision of feedback on the *status quo* and strategic framework components of the IDP. ▪ Census 2011 comprehensive analysis.	28 November 2014	Director IDP
Obtain Sector Departmental Input	06 February 2015	Director IDP
IDP Progress Report to MANCO	18 February 2015	Director IDP
Strategic Workshop for IDP/Budget	23 - 26 February 2015	Director IDP
Second IDP Representative Forum: ▪ Presentation of the draft IDP and Budget ahead of the public participation process. ▪ Prioritized Projects and Programs. ▪ Sector Plans Progress and finalization i.e. WSDP and Disaster Management Plan. ▪ Draft PMS 2015/16.	20 March 2015	Director IDP
EXCO/Council approval of Draft IDP	24 March 2015	Director IDP
Submission of draft IDP to COGTA	27 March 2015	Director IDP
Provincial IDPs Assessment week	07 – 29 April 2015	Director IDP

IDP/ Budget Road-shows	16 April 2014 – 03 May 2015	Director IDP
21 Days Advertisement Period for Public Comments	April – May 2014	Director IDP
MANCO to deliberate on the Final Draft IDP document	18 May 2015	Director IDP
Final IDP Representative Forum for adoption: ▪ Feedback on comments received during the 21 day advert period on the Budget and IDP as well as the public participation process and suggested ways of addressing these issues. ▪ Recommendations by the IDP RF for adoption of the IDP by Council.	21 May 2015	Director IDP
EXCO to recommend IDP approval by Council	26 May 2015	Director IDP
Special Council meeting to adopt the final IDP document for the 2015/16 financial year	28 May 2015	Director IDP

1.6. BUDGET PROCESS PLAN FOR 2015/2016 MULTI-TERM BUDGET.

DATE	ACTIVITY	RESPONSIBILITY
October 2014	Meeting with Mayor, Exco and Manco to discuss the strategic direction and objectives for the 2015/2016 financial year	**MM/BTO**
October 2014	**Budget Framework.** Meeting the SED's to discuss the budget process for preparation of the budget framework to provide parameters and request budget inputs for 2015/2016	**BTO**
November 2014	**Completion of Salary Budget**	**BTO/HR**
November 2014	**Budget strategic workshop**	**CFO and Mayor**
December 2014	**Submit all Budget related policies for review**	**BTO**
December 2014	**Prepare draft budget three year operational and capital budget**	**BTO**
January 2015	**Report back on progress with Budget inputs**	**BTO** **MANCO**
January 2015	**Review of proposed National and Provincial allocations for incorporation into the draft budget for 2015/16**	
January 2015	**Review of current budget and inputs for new budget**	**MANCO**
February 2015	• **Submission of Budget Inputs:** Final date for SED's to submit departmental budget inputs. Proposed Capital Projects from IDP. • Accounting officer finalizes and submits to the Mayor the proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part the oversight report for the previous year's audited financial statements and annual report.	**BTO/SED'S**
February 2015	**Budget discussion document:** Compile discussion document from inputs and submit to EXCO and MANCO	**BTO**
February 2015	**Budget/IDP Strategic Workshop**	**Extended MANCO and EXCO**
March 2015	**Budget Workshop:** Discussion of budget inputs, link capital and operational plans to	**EXCO** **MANCO**

DATE	ACTIVITY	RESPONSIBILITY
	IDP and determine proposed tariffs	
March 2015	**Draft Budget:** Submit draft multi-term operational and capital budget to Council, National and Provincial Treasury, COGTA	**CFO/BTO**
April 2015	**Public Consultation Process:** Public Consultation on draft budget throughout municipality	**MAYOR** **EXCO** **MM**
May 2015	**Respond to Public Comments:** Response to public comments and sector comments. Incorporate recommendations into draft budget if possible and feasible	**MAYOR** **BTO** **MM**
29 May 2015	**Approval of Final Draft Budget:** Approve the draft multi-term operational and capital budget	**COUNCIL**
June 2015	**Advertising:** Publication of approved budget. Place on municipal website	**MM** **BTO**
June 2015	**Submission of Budget:** Submit approved budget to National and Provincial Treasury and COGTA	**BTO** **MM**
June 2015	**Compile SDBIP:** Compilation of service delivery and budget implementation plan(SDBIP) 28 days after the approval of budget and submit to Council for approval	**PMS** **MAYOR** **MM**

1.6.1. PUBLIC PARTICIPATION.

Public participation in the review of the IDP and budget unfolded as follows:-

WARD	VENUE	DAY	DATE	TIME
Business Chambers	Executive Chamber	Wednesday	22/04/2015	17h00
2, 3, 4, 5 & 25	Show Hall	Thursday	23/04/2015	17h00
Ward Committees	Fairleigh Hall	Friday	24/04/2015	09h00
20, 21, 22, 13, 24 & 26	Phelandaba Sports Field	Saturday	25/04/2015	11h00
14, 19, 27, 29	Dedangifunde High School Ground	Sunday	26/04/2015	11h00
6, 7, 8, 9, 10 & 30	Cricket Oval	Monday	27/04/2015	11h00
10, 11, 13, 17 & part of 30	Osizweni stadium	Saturday	02/05/2015	10h00
12, 15, 16 & 18	Mzamo Sports Field	Saturday	02/05/2015	14h00
1	Charlestown	Sunday	03/05/2015	10h00
31	Soul City	Tuesday	05/05/2015	10h00
23, 28	Vezubuhle Sports Field	Wednesday	06/05/2015	10h00
27	Sabela Sports Field	Thursday	07/05/2015	10h00

1.6.2. SECTOR DEPARTMENT INVOLVEMENT.

In general, sector planning is very weak within the South African Local Government system as municipalities are not getting recognition as development overseers within their respective areas of jurisdiction. As yet there is no effective legislation that makes it compulsory for all sector departments to align their budgets with municipal budgets and allocate resources using the prioritization list available from municipalities through consultations with communities.

However, Newcastle Municipality has investigated an alternative mechanism which has brought sector departments to be fully involved into the IDP process. The mechanism adopted was to engage sector departments on a one-on-one basis in order to deal with specific issues affecting the municipality. Sector departments have also fully participated on the IDP Representative Forums held by the municipality throughout the year. As a result, the municipality has enjoyed working with the following departments and their participation has made significant improvements towards service delivery:-

- Department of Transport;
- Department of Co-Operative Governance and Traditional Affairs (COGTA);
- Department of Social Development;
- ESKOM;
- Department of Public Works;
- Department of Health;
- Department of Economic Development and Tourism;
- Department of Arts and Culture (Library and Museum sections); and
- Department of Human Settlements.

1.6.3. ALIGNMENT WITH THE DISTRICT FAMILY OF MUNICIPALITIES.

Various meetings were also held with the district family of municipalities to align the IDPs. The following is an indication of some of the key alignment issues addressed to date:-

- The IDPs of the Amajuba family are focusing on the outcome based IDP approach thereby incorporating the Key Performance Areas developed by national government.
- Both the SONA and SOPA have been incorporated into the IDPs.
- Outcome 9 has been incorporated into the IDPs there by giving emphasis to good governance and sustainable human settlements (Outcome 8).
- The revised Municipal Turnaround Strategies have also been incorporated giving the emphasis on thorny issues which municipalities needed in order to improve service delivery.
- The PGDP has been incorporated as part of improving the alignment between the province and local government.

- The IDPs have given emphasis on the Sukuma Sakhe Program and its associated impact to communities - Fighting poverty through job creation.
- The IDP has also taken cognisance of the 8 Millennium Development Goals as signed in the Millennium Declaration by 189 World Leaders in the Millennium Summit (2000).
- Furthermore, the issues raised at COP 17 have also been incorporated. These include the implementation of solar energies and smart and conventional meters on new housing developments.
- The new settlement patterns will consider flood lines and the implementation of disaster management centres.

1.7. KEY DEVELOPMENT CHALLENGES.

Although the NLM has made significant progress in addressing service backlogs and promoting development within its area of jurisdiction, there are still a number of key development challenges that face the municipal area and its people. These are discussed briefly and categorised according to the national key performance areas below.

1.7.1. SERVICE DELIVERY AND INFRASTRUCTURE.

Huge backlogs in the delivery of public services have been identified as one of the key issues facing Newcastle Municipality. Backlogs are concentrated mainly in the Newcastle East area, particularly Jonhston, Blaauwbosch and Cavan (JBC), Madadeni and Osizweni Townships, as well as the surrounding rural settlements located in the Ubuhlebomzinyathi area. They manifest themselves in various forms including the following:-

- Poor access to basic services such as water, sanitation and electricity. This is more pronounced in the JBC area and the rural settlements. This is a direct result of the previous neglect of these areas from both the development planning and delivery of services perspectives.
- The Newcastle Local Municipality is challenged with the maintenance and development of basic road and storm water infrastructure to serve the local community, particularly in the Newcastle East area.
- Poor condition of public facilities and general lack of the requisite tools and equipment for an effective delivery of services. The facilities that require attention include schools, clinics, community halls, early childhood education centres, library services, etc.

- The huge housing backlog entails a large number of people who reside in informal settlements, backyard shacks and poorly developed rural traditional housing structures. The low cost housing need in Newcastle is currently estimated at 74 991 units with the majority of this concentrated mainly in the Newcastle East.

1.7.2. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT.

Over the last few years, Newcastle Municipality has gone through a process of fundamental transformation as an organisation with the intention of developing sufficient organisational capacity for an effective performance of municipal functions. As such, a new organogram was developed and is currently being implemented. The majority of critical positions, particularly those of Strategic Executive Managers and Directors have been filled. Management committees have been restructured and new systems and procedures introduced. The new challenges facing the organisation are none other than those of a learning and growing organisation and include issues such as gender equity, cascading down the organisational culture down the hierarchy, horizontal integration of development programmes, etc.

1.7.3. LOCAL ECONOMIC DEVELOPMENT.

Over the last few decades, the economy of the Newcastle Municipality's area of jurisdiction experienced variable trends marked, in all, by shifts from one sector to the other and a general decline in both output and performance. Although some mining activities are still evident in the area, it is no longer appropriate to regard Newcastle as a coal mining town, the same applying to agriculture. Both sectors have shed a number of jobs and their contribution to the local economy is at the lowest point ever. Manufacturing remains the main economic activity in NLM, but is itself facing a number of structural challenges which if not addressed at this juncture, will relegate this sector into insignificance.

At a local scale, the challenge of unemployment, poverty and inequality fuelled by the concentration of employment opportunities in and around the Newcastle Town, remains one of the features of the previously marginalized areas such as the Newcastle East area. The Madadeni Industrial Centre is mostly vacant and unable to attract industrialists.

1.7.4. MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT.

The following are the main challenges facing the municipality in the area of financial viability and management:-

- Inadequate revenue collection systems within municipalities.
- Low recovery of amounts owed for municipal services from consumer debtors.
- Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts.
- Lack of advice to the council on revenue enhancement mechanisms.

1.7.5. GOOD GOVERNANCE AND PUBLIC PARTICIPATION.

The Newcastle Municipality is a developmental local government structure that is committed to working with citizens and organised interest groups to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives. This assertion complements the right of communities to participate in the decisions that affect development in their respective areas, and a corresponding duty on the municipality to encourage community participation in matters of local governance. The Municipality achieves this goal mainly through Ward Committee structures and a variety of other measures designed to foster open, transparent and consultative municipal governance.

However, the functionality and effectiveness of the ward committees remains a major challenge. Some of these are not unique to Newcastle Municipality as they relate to the design of the ward committee system as well as the procedures for their operation. As such, they are systemic in nature and should be addressed as part of government programmes to deepen democracy. Synergistic relations should also be strengthened with the business community, farmers associations, organised labour and other stakeholders.

1.7.6. CROSS-CUTTING DIMENSIONS.

The following are some of the cross-cutting issues facing the Newcastle Municipality:-

- The town serves as an administrative and economic hub for the North-Western part of KwaZulu-Natal. This includes the whole of Amajuba District and some of the surrounding areas in Mpumalanga Province and Umzinyathi District. This raises a key question whether the town is developed well with sufficient infrastructure and has enough capacity to play its role as a sub-regional economic hub.
- The rate of urbanisation in Newcastle has been very rapid, resulting in the development of settlements along P483, in particular, linear settlements of KwaMathukuza, JBC to

Khathide in the Northern area. Rapid urbanisation brings with it many problems as it places huge demands on land, water, services, housing, transportation and employment.

- The NLM could broadly be described as an apartheid region in the sense that it embodies most, if not all, the attributes of apartheid spatial patterns. These include low density sprawl which is fuelled in the Newcastle West by anti-city values of suburbia which promotes large plots as an image of good urban living; a cellular development pattern that occurs in relatively discrete pockets based on the introverted concept of neighbourhood unit or super block; and separation of land uses, urban elements, races and income groups. The dominant land use pattern resembles a series of relatively homogenous blobs of different uses tied together by high speed transport routes.
- The quality of the environment within NLM requires an urgent attention. This is symbolized mainly by the deteriorating quality of water, poor air quality due to emissions, urbanization, waste collection and disposal and general lack of active open spaces in the NLM.
- Poverty manifests itself in different dimensions with income poverty and human poverty being the most common.

1.8. ORGANISATIONAL DEVELOPMENT STRATEGY.

1.8.1. DEVELOPMENT VISION.

The NLM long-term development vision was formulated within the context of the national and provincial vision statements as outlined in the National Development Plan (NDP) and the Provincial Growth and Development Strategy (PGDS). It reflects a joint commitment by the local leadership, municipal administration and the local communities to make Newcastle a better place and improve the quality of life for those who work and/or live in NLM.

The vision is based on the following overarching principles:-

- Sustainability.
- Integrated development.
- Equitable access to basic services and public facilities.
- Efficient and effective delivery of services.

1.8.2. DEVELOPMENT STRATEGY.

NLM development strategy is based on a long-term vision, but acknowledges the significance of issues that need to be addressed in the short to medium term. As such, the municipality has formulated development goals that seek to address the challenges facing the institution currently and reposition the area in a developmental path as follows:-

- To develop Newcastle as a service and industrial hub.
- To eradicate all forms of poverty and destitution/indigence.
- To be an example of service and governance excellence.
- To improve the quality of life.
- To achieve environmental sustainability.
- To promote gender equality and empowerment.

In the short to medium term, the municipality will initiate projects with clear targets and outputs towards the attainment of these goals. It will accelerate delivery of services and gradually consolidate outcomes so as to attain the desired future situation.

Particular focus will be paid to the following key areas of strategic intervention:-

- **Spatial integration and environmental sustainability:** Particular focus will be paid on developing systems and procedures for effective land use and environmental management.
- **Local economic development:** The municipality has a responsibility to create a climate conducive for public and private sector investment. As such, the municipality is committed to working with other government agencies and departments to deliver state of the art economic infrastructure that will facilitate development of effective service and industrial sectors.
- **Service delivery and infrastructure development:** The NLM is the sphere of government that is closest to the communities. This bestows a huge responsibility to deliver services where the municipality is directly responsible and coordinate the delivery of services that fall outside the constitutional obligations of the municipality.
- **Municipal transformation and organisational development:** The attainment of development goals as outlined above requires the municipality to establish effective

systems and procedures for both municipal administration and local governance. This includes attracting and retaining well trained, experienced and committed employees.

- **Municipal financial viability and management:** Funds will be a critical input in the process towards the attainment of the above-outlined goals. As such, it is critically important to ensure that the municipality is able to generate sufficient funds to be able to deliver services and facilitate development. Also important is the ability to account for the use and disbursements of public funds.
- **Good governance and public participation:** The municipality is committed to putting in place systems and procedures for accountable local governance. This includes oversight responsibilities, auditing function, risk management, etc. Members of the public will be kept informed and engaged in all municipal affairs.

1.9. PERFROMANCE MEASUREMENT.

1.9.1. INTENDED IMPACT.

Everything that NLM does should be done to impact as much as possible on the social and economic development of the area. In particular, the municipality will strive to provide services that meet the basic needs of the poor in their communities in a cost-effective and affordable manner. This can be achieved in two ways:-

- The NLM will provide some relief for the poor. Through Government policy, NLM is to provide a free basic amount of services for particularly water and electricity to households that do not have access to these services. NLM will also promote social development through arts and culture, the provision of recreational and community facilities, and the delivery of social welfare services.
- The NLM will work in partnership with local businesses to improve job creation and investment. It is not the role of NLM to create jobs but it will take active steps to improve the conditions for the creation of employment opportunities in the area. This includes preferential procurement of services.

As a developmental local government, NLM will provide leadership to all those who have a role to play in achieving local prosperity and IDP is a critical tool in this regard.

Municipal Councils such as the NLM play a central role in promoting local democracy. In addition to representing community interests within the Council, Councillors will ensure that

citizens and community groups are involved in the design and delivery of municipal programmes. Ward Committees and community consultation are important ways of achieving greater involvement.

The municipality will also provide support to individual and community initiatives, and direct them to benefit the area as a whole. The involvement of youth organisations in this regard is of particular importance.

1.9.2. PERFORMANCE MANAGEMENT SYSTEM.

The municipality has developed an Organisational Performance Management System to monitor the implementation of the IDP, and provide for corrective measures where there is insufficient progress. The PMS is based on a policy framework and covers the whole organisation. The following are some of the key aspects of this systems:-

- Performance contracts which include performance plans for all section 57 employees.
- Service Delivery and Budget Implementation Plan.
- Annual report.
- Quarterly performance reviews.

Performance is measured against set targets.

SECTION 2:
PLANNING AND DEVELOPMENT PRINCIPLES

2. POLICY REVIEW.

Planning and development in NLM occurs within the national and provincial policy framework, and provides for the implementation of the priorities as outlined in these documents.

2.1. NATIONAL POLICY FRAMEWORK.

2.1.1. NATIONAL DEVELOPMENT PLAN.

The national development vision is outlined in various national policy documents, and consolidated in the National Development Plan (NDP). The National Development Plan is presented in 15 chapters, addresses the major thematic areas facing the country in detail, and outlines a national development strategy. It focuses on the critical *capabilities* needed to transform the economy and society. Achieving these capabilities is not automatic, nor will they emerge if the country continues on its present trajectory. Rising levels of frustration and impatience suggest that time is of the essence: failure to act will threaten democratic gains. In particular, South Africa must find ways to urgently reduce alarming levels of youth unemployment and to provide young people with broader opportunities. As such, the NDP sets out clear objectives and targets as follows:-

- The unemployment rate should fall from 24.9% in June 2012 to 14% by 2020 and to 6% by 2030. This requires an additional 11 million jobs. Total employment should rise from 13 million to 24 million.
- The public works programme should be broadened thus to expand and cover 2 million fulltime equivalent jobs by 2020.
- The labour force participation rate should rise from 54% to 65%. The cost of living for the poor households should be reduced together with the cost of doing business through microeconomic reforms.
- The proportion of people with access to the electricity grid should rise to at least 90% by 2030, with non-grid options available for the rest.
- A comprehensive management strategy to be developed including an investment programme for water resource development, bulk water supply and wastewater management for major centres by 2012, with reviews every five years.
- To create regional water and wastewater utilities, and expand mandates of the existing water boards (between 2012 and 2017).

- An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro-processing and related sectors by 2030.
- Increased investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture.

The National Development Plan requires local government to play a meaningful and active role in ensuring the implementation of the vision 2030. The plan compels the local government to be service delivery oriented in ensuring that the following is achieved:-

- A comprehensive management strategy including an investment programme for water resource development, bulk water supply and wastewater management for major centres by 2012, with reviews every five years.
- Create regional water and wastewater utilities, and expand mandates of the existing water boards (between 2012 and 2017).
- An additional 643 000 direct jobs and 326 000 indirect jobs in the agriculture, agro-processing and related sectors by 2030.
- Increased investment in new agricultural technologies, research and the development of adaptation strategies for the protection of rural livelihoods and expansion of commercial agriculture.
- Rural economies will be activated through improved infrastructure and service delivery, a review of land tenure, support to small and micro farmers, a review of mining industry commitments to social investment, and tourism investments.
- A strong and efficient spatial planning system, well integrated across the spheres of government.
- Upgrade of all informal settlements on suitable, well located land by 2030.
- More people living closer to their places of work and better quality public transportation.
- More jobs in or closer to dense, urban townships.
- Develop a strategy for densification of cities and resource allocation to promote better located human settlements.
- By 2030, people living in South Africa should feel safe and have no fear of crime. They should feel safe at home, at school and at work, and they are to enjoy an active

community life free of fear. Women are to walk freely in the street and the children play safely outside.

The aim of the Plan was to respond quickly to South African's aspirations and ensure that inclusive economic growth was the main agenda for development.

2.1.2. 14 NATIONAL OUTCOMES.

The IDP adopts an outcome based approach in line with the national government priorities and the associated 14 outcomes (refer to Box 2 below). Early in the National Cabinet, adopted were twelve outcome areas that collectively address the main strategic priorities of government. Subsequently, two new outcomes were introduced making it 14 national outcome areas aimed at addressing government priorities. The strategic objective of the outcome based approach is to improve service delivery across all spheres of government and to introduce a systematic planning, monitoring and evaluation process.

Box 2: 14 National Outcomes

1. An improved quality of basic education.
2. A long and healthy life for all South Africans.
3. All South Africans should be safe and feel safe.
4. Decent employment through inclusive growth.
5. A skilled and capable workforce to support an inclusive growth path.
6. An efficient, competitive and responsive economic infrastructure network.
7. Vibrant, equitable, sustainable rural communities with food security for all.
8. Sustainable human settlements and an improved quality of household life.
9. **A responsive, accountable, effective and efficient local government system.**
10. Environmental assets and natural resources that are well protected and enhanced.
11. A better Africa and a better world as a result of South Africa's contributions to global relations.
12. An efficient and development-oriented public service and an empowered, fair and inclusive citizenship.
13. An inclusive and responsive social protection system.

High level Negotiated Service Delivery Agreements (NSDA) based on these outcomes have been concluded between the President and national ministers. The National Outcome Nine (9) commits the Minister of Cooperative Governance and Traditional Affairs to develop a local government system which is responsive, accountable, effective, and efficient. In line with Outcome 9 (refer to Box 3), Newcastle Municipality's IDP responds directly to issues facing the area and its communities with the aim of rendering local government services efficiently and effectively.

However, the municipality will also contribute directly and indirectly to the attainment of other outcomes, particularly those dealing with economic development, infrastructure development, rural development and environmental management. Therefore, alignment

with the relevant sector frameworks and programmes across the spheres of government is critical.

2.1.3. LOCAL GOVERNMENT OUTCOME 9.

As an effort to focus government initiatives and manage public expectations, the national government has adopted an Outcome Based Approach. Based on the Medium Term Expenditure Framework (MTEF), 14 outcomes have been identified (refer to Box 2). Outcome 9 deals with local government and affects Newcastle Municipality directly. It moves from a premise that local government is a key part of the reconstruction and development effort in South Africa, and that aims of democratizing society and growing the economy inclusively can only be realized through a responsive, accountable, effective, and efficient local government system that is part of a developmental state. The government has identified the following Outputs for Outcome 9:-

- Output 1: Implement a differentiated approach to municipal financing, planning and support.
- Output 2: Improving access to basic services.
- Output 3: Implementation of the Community Work Programme.
- Output 4: Actions supportive of the human settlement outcome.
- Output 5: Deepen democracy through a refined Ward Committee Model.
- Output 6: Administrative and financial capability.
- Output 7: Single window of coordination.

2.1.4. STRATEGIC INFRASTRUCTURE PROGRAMME (SIP).

Government recently adopted an Infrastructure Plan that is intended to transform the economic landscape of South Africa, create a significant number of new jobs, strengthen the delivery of basic services to the people of South Africa and support the integration of African economies. The Presidential Infrastructure Coordinating Commission (PICC), with its supporting management structures, has been established to integrate and coordinate the construction of long term infrastructure.

The plan is based on an objective assessment of the infrastructure gaps through spatial mapping which analyses future population growth, projected economic growth and areas of

the country which are not served with water, electricity, roads, sanitation and communication. Based on this work, seventeen Strategic Infrastructure Projects (SIPs) have been developed and approved to support economic development and address service delivery in the poorest provinces. Each SIP comprises of a large number of specific infrastructure components and programmes.

Among the 17 projects are the initiatives to improve the movement of goods through the Durban-Free State-Gauteng logistics and industrial corridor by prioritising a range of rail and port improvements, supported significantly by a R300-billion investment programme by Transnet over the coming seven years. One of the rail links targeted for upgrading runs through Newcastle and is the main Durban Johannesburg link. Subsequent to this is the upgrade and expansion of the N11 road linking the city of EThekwini in Durban, via Newcastle to Johannesburg and Mpumalanga Province. These infrastructure programs are meant to boost the economy of the country in order to achieve the vision 2030. In conclusion, Newcastle has also been identified as one of the Industrial hubs with particular emphasis on the manufacturing sector which is textile and chemicals.

2.1.5. THE STATE OF THE NATION ADDRESS (SONA) – 2015.

In addition to the National Development Plan, the President outlined further national government priorities for this financial year in the State of the Nation Address. The President elaborated on the difficult economic climate that South Africa is currently faced with. He made mention of the drop in the GDP regarding global economic growth in 2015 to 3,5%, as reported by the IMF. He went on to mention that the target of 5% growth rate by 2019 was at risk due to the slow global growth including domestic constraints in energy, skills, transportation and logistics in naming a few. However on the jobs front, there has been positive growth regarding employment in the last quarter of 2014. There are now 15.3 million people who are employed in South Africa due to the increase in jobs by 203 000.

Last year the Honourable President announced a target of 6 million work opportunities over five years. So far 850 000 work opportunities have been created meaning that we are closer to the annual target of 1 million jobs. He also reiterated on the Presidency's Nine Point Plan for this financial year aimed at igniting growth and creating jobs and it entails the following:-

- Resolving the energy challenge.
- Revitalizing agriculture and the agro-processing value chain.
- Advancing beneficiation or adding value to our mineral wealth.
- More effective implementation of a higher impact Industrial Policy Action Plan.

- Encouraging private sector investment.
- Moderating workplace conflict.
- Unlocking the potential of SMME's, cooperatives, township and rural enterprises.
- State reform and boosting the role of state owned companies, ICT infrastructure or broadband roll out, water, sanitation and transport infrastructure.
- Operation Phakisa aimed at growing the ocean economy and other sectors.

Regarding electricity, the President stated the short to medium term plan which entails the improved maintenance of Eskom power stations in order to enhance the electricity generation capacity and manage the electricity demand. On the other hand, the long term plan was stated which involves the finalisation of the long term Energy Security Master Plan. Households were encouraged to switch from electricity to gas for cooking, heating and other uses thus to decrease the current backlog of 3,4 million households in the country without access to electricity.

Land is seen as the most critical path in order to redress the wrongs of the past, therefore he foreign nationals will no longer be allowed to own land in South Africa but be eligible to long term leasing of land through a policy known as the Land Holdings Bill. The President further reiterated on the Agricultural Policy Action Plan thus to fast track the productivity of under-utilised agricultural land. As a key intervention, the President will be promoting the establishment of agri-parks thus to transform the rural economies. The Agro-processing exports will also be enhanced more specifically to new markets in Africa and China.

According to the United Nations Conference on Trade and Development, "South Africa has doubled its Foreign Direct Investment inflows to 88 billion rand in 2013 while 2014 projections are also positive." The recent Global Financial Crisis impeded upon the Manufacturing sector hence Government committed more than 2.8 billion rand to companies in this sector through what is known as the Manufacturing Competitiveness Enhancement Programme.

Government will also set aside 30% of appropriate categories of State procurement for purchasing from SMMEs, co-operatives as well as township and rural enterprises. The President also touched on the progress of the programme pertaining to National Youth Development and stated that, in partnership with IDC and the Small Enterprise Finance Agency, they have collectively set aside 2.7 billion in order to fund young people. The importance of providing water services was stated thus to effect economic growth and the various infrastructure projects being rolled out by Government were mentioned, including those targeting improved water supply for the general population, specifically to areas that had been affected by shortages. Furthermore, as a measure to conserve water and mitigate challenges thereof, it was stated that Government, through the Department of Water

Affairs, will train 15 thousand artisans or plumbers who will fix leaking taps in their local communities.

The Department of Transport will spend about 9 billion rand on the Provincial Roads Maintenance Grant or the Sihamba Sonke Programme and an additional 11 billion rand on the upgrading and maintaining of roads which are not tolled. Additional funding will also go to the upgrading of schools through a programme known as Accelerated School Infrastructure Delivery Initiative which is part of the National Infrastructure Plan. Government will also provide 5000 housing opportunities for Military veterans and subsequent to this will be the eradication of the title deeds backlog for pre and post 1994 housing stock.

"Local government is everybody's business hence we have launched the Back to Basics programme to promote good governance and effective administration through cutting wastage, spending public funds prudently, hiring competent stuff, and ensuring transparency and accountability in municipalities."

Newcastle commits itself to achieving the priorities of government at local level through working with citizens to improve their lives. Through the introduction of efficient LED Strategies, NLM will foster the creation of employment opportunities and SMME development within its jurisdictional area. The conservation of energy is of crucial importance hence NLM is committed to the creation of awareness at household level in order improve the efficient use of electricity. Furthermore, through the improvement of infrastructure within the jurisdictional area, a conducive environment for both domestic and international private investors will be created. NLM realises that an effective Land Use Management System is vital for the conservation of valuable agricultural land. Thus we commit ourselves to the development of an efficient Land Use Management Scheme in order to facilitate Land Reform and Agrarian Reform. Regarding government's policy on Back to Basics, NLM shall continue to deliver an efficient level of services to its communities and also strive to reach out to the areas which were previously marginalised in order to breach the gap on the basic service backlogs.

2.2. PROVINCIAL POLICY FRAMEWORK.

2.2.1. PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY.

The KwaZulu-Natal Province's development vision is outlined in the Provincial Growth and Development Strategy (PGDS). The PGDS is a primary strategy for KwaZulu-Natal that drives growth and development in the Province to 2030. It provides the province with a rational

strategic framework for accelerated and shared economic growth through catalytic and developmental interventions, within a coherent equitable spatial development architecture, putting people first, particularly the poor and vulnerable, and building sustainable communities, livelihoods and living environments (PGDS, 2011). Concomitant attention is also given to the provision of infrastructure and services, restoring the natural resources, public sector leadership, delivery and accountability, ensuring that these changes are responded to with resilience, innovation and adaptability. The NLM IDP is formulated within the framework of the PGDS and is fully aligned with the provincial development goals.

The PGDS identifies 7 strategic goals and 30 strategic objectives designed to move the KwaZulu-Natal Province progressively towards the attainment of the 2030 development vision. These goals and objectives are as relevant to the Newcastle Municipality as they are for the KwaZulu-Natal Province. This is despite some not being direct functions of local government. Goal 3 to goal 7 all forms an integral part of local government agenda and focus areas for the Newcastle Municipality.

Figure 3: PGDS Strategic Framework.


STRATEGIC GOALS
KZN PGDS STRATEGIC FRAMEWORK
STRATEGIC OBJECTIVES
1 JOB CREATION
2 HUMAN RESOURCE DEVELOPMENT
3 HUMAN & COMMUNITY DEVELOPMENT
4 STRATEGIC INFRASTRUCTURE
5 RESPONSE TO CLIMATE CHANGE
6 GOVERNANCE AND POLICY
7 SPATIAL EQUITY
Aspire to ...
Gateway
Human & Natural Resources
Safe, Healthy & Sustainable Living Environments
Healthy Educated Communities
employable people are employed
Equitable society
Basic Services
More equitable Society
World Class Infrastructure
Investors Confidence
Skilled Labour Force
Focus on People centred-ness.
Strong & Decisive Leadership
Foster Social Compacts
Vision 2030
30
1. Unleashing the Agricultural Sector
2. Enhance Industrial Development through Trade, Investment & Exports
3. Expansion of Government-led job creation programmes
4. Promoting SMME, Entrepreneurial and Youth Development
5. Enhance the Knowledge Economy
6. Early Childhood Development, Primary and Secondary Education
7. Skills alignment to Economic Growth
8. Youth Skills Development & Life-Long Learning
9. Poverty Alleviation & Social Welfare
10. Enhancing Health of Communities and Citizens
11. Sustainable Livelihoods & Food Security
12. Sustainable Human Settlements
13. Safety & Security
14. Social Cohesion
15. Youth, Gender and Disability Advocacy & The Advancement of Women
16. Development of Ports and Harbours
17. Development of Road & Rail Networks
18. Development of ICT Infrastructure
19. Improve Water Resource Management
20. Develop Energy Production Capacity
21. Increase Productive Use of Land
22. Advance Alternative Energy Generation
23. Manage pressures on Biodiversity
24. Disaster Management
25. Strengthen Policy and Strategy Co-ordination & IGR
26. Building Government Capacity
27. Eradicating Fraud & Corruption
28. Promote Participative, Facilitative & Accountable Governance
29. Actively Promoting Spatial Concentration
30. Facilitate Integrated Land Management & Spatial Planning

2.2.2. AMAJUBA DISTRICT GROWTH AND DEVELOPMENT PLAN.

The development vision of the Amajuba District is further detailed with the recently developed Amajuba District Growth and Development Plan which is essentially an attempt to cascade the development vision of the KZN PGDP into action. The main objectives of the plan are as follows:-

- To establish and outline a long term vision and direction for the development in the district (vision 2030);
- To provide an overaching and coordinated framework for planning and development initiatives within each of the local municipalities and across municipal boundaries;
- To provide a spatial context and justification for priority interventions;
- To guide resource allocations of various spheres of government, service delivery agencies and private sector working within the district;
- To develop the institutional arrangement for an effective implementation of the Amajuba DGDP and the KZN PGDS;
- To align and integrate departmental strategic plans at a district level;
- To facilitate commitment of resources (human, financial, etc.) towards the implementation of strategic objectives, catalytic initiatives and other district priorities.

The Amajuba DGDP will achieve its objectives through 7 Strategic Goals directly aligned to the KZN PGDP. The ADM 7 Strategic Goals are as follows:-

1. Job Creation – Expanded Provincial economic output and employment.
2. Human Resource Development – The human resource capacity of the province is adequate, relevant and responsive to growth and development needs.
3. Human and Community Development – Poverty and inequality in Amajuba is reduced.
4. Strategic Infrastructure – Strategic infrastructure provides for the social and economic growth and development needs of Amajuba District.
5. Environmental Sustainability – Reduced global greenhouse gas emissions and create social ecological capacity to adapt to climate change.
6. Governance and Policy – The population of Amajuba is satisfied with the levels of government service delivery.
7. Spatial Equity – Increased spatial access to goods and services in Amajuba.

As per the KZN PDGP, the Amajuba DGDP's Strategic Goals and the 24 Strategic Objectives are aimed towards the attainment of the 2030 development vision. The goals and objectives of the Amajuba DGDP are relevant and applicable to the Newcastle Local Municipality. However, some do not fall within the ambit and functions of NLM. Nonetheless NLM fully commits itself to the execution and coordination of the Amajuba DGDP Strategic Goals and Objectives thereof, particularly those falling within its functions.

2.2.3. THE STATE OF THE PROVINCIAL ADDRESS (SOPA) – 2015.

The speech by the Honourable Premier of KwaZulu-Natal, Mr. Senzo Mchunu was a reiteration of the objectives in the State of the Nation Address by our President, Mr. Jacob Zuma. Fast tracking service delivery was raised as amongst the priorities of the KZN Government including socio-economic transformation and the eradication of poverty. Infrastructure investment was also raised as a priority within KZN and the total Government spending towards infrastructure development to date came to R10.6 billion. NLM was mentioned by the Honourable Premier under the sites earmarked for the development of Techno-Hubs as local technology incubation centres including Pietermaritzburg, Hibiscus Coast and Umhlathuze. Our neighbouring municipality, Emadlangeni, which is the local municipality amongst the Amajuba District Family of Municipalities, received assistance towards forming harmony and consensus between the local stakeholders in order to facilitate peaceful solutions to issues and to initiate a process of establishing Agri-Villages in the area. The intension of the project is to strengthen the relationship between communities, commercial farmers, the land claims trust, institutions of traditional leadership and other local structures and it will also help thus to guide settlement patterns in order to protect high value agricultural land.

According to the honourable Premier, due to the challenges such as the energy crisis which hampers investor confidence and manufacturing output, the labour concerns, and digital uncompetitiveness in naming just a few, it is envisaged that the Provincial economic growth rate will be 2.4% in 2015. He went on to mention the KZN Government's pragmatic way to respond to challenges that are prevalent in the Province particularly those relating to economic growth and development of the country. The main focus of this particular State of the Province Address was on '*what it is that we can do to ensure the growth of our economy in order to increase our ability to render more effective and efficient services to our communities, and to grow it in such a manner that we create the jobs our people need, as well as to ensure that they are able to not only participate in this growth, but fully share in it in what is known as Radical Economic Transformation*'. **Sustained shared economic growth as the primary driver for job creation and poverty** is amongst the main focus areas and the following are the 7 National Priority Economic Interventions we as the KZN Province are aligned with:-

- **Priority Intervention 1:** Resolving the energy crises and enhancing the energy.
- **Priority Intervention 2:** Moderating workplace conflict.
- **Priority Intervention 3:** Revitalising the agriculture value chain.
- **Priority Intervention 4:** Targeted support for the metals/engineering value chain.
- **Priority Intervention 5:** Economic Development and Private Sector Investment.
- **Priority Intervention 6:** Unlocking SMMEs and co-operatives potential.
- **Priority Intervention 7:** Consolidating ICT through the Telecommunications Sector – Rollout of broadband.

Furthermore, **developing and protecting our human capital** in order to tackle the issue of inequalities within the Province of KwaZulu-Natal was also raised as the main focus of KZN Government. This entail economic benefits and wealth creation aimed towards improving the lives of all the citizens of KZN including the vulnerable. As part of the KZN Poverty Eradication Strategy, the Premier delivered the Poverty Eradication Master Plan (PEMP) stating that it is a multi-prolonged plan for eradicating poverty in the Province and giving dignity to our people. The PEMP comprises of five key strategies which are as follows:-

- Social security and housing;
- Agriculture development;
- Enterprise Development;
- Employment Creation; and
- Skills Development.

The success of the Poverty Eradication Master Plan is premised on the successful implementation of the KZN PGDP. **Enhancing healthy communities in KZN** through the provision of a comprehensive primary health care programme, as well as the provision of adequate sanitation, water and other infrastructure was also mentioned as amongst the main focus of KZN Government. On the state of **Good Governance** in the Province of KwaZulu-Natal, the Premier stated that we remain committed to do our best to root out fraud and corruption in our Province. The **development of strategic infrastructure** was also raised as being a crucial step towards eradicating poverty and effecting economic growth within the Province. Such strategic infrastructure entails roads, transportation infrastructure i.e. railway, water provision, sanitation, electricity, ITC etc. The need is therefore to invest in infrastructure in order to stimulate and sustain growth and development.

Education, training and developing skills to meet growth demand through early childhood development still remains the key focus of the KZN Government. The most valuable resource in the Province is the people and thus their development thereof remains as the foremost priority. This includes access to quality basic education, improving the schools nutrition programme, provision of support to the youth through the National Skills Fund and related programmes etc. As the KZN Government, it is also our main focus to effect **Environmental Sustainability** in order to conserve our natural habits and agriculturally valuable land for future generations. Climate Change is considered to be one of the most serious threats to sustainable development with adverse impacts expected on the environment, human health, food, security, economic activities, natural resources and physical activities. The KZN Climate Change Response Action Plan shall be the measure thus to address this issue within the Province. This is linked to the District Climate Change Response Plans which are to be incorporated into the IDPs of municipalities.

The Gini Coefficient of the KZN Government reflects that are still inequalities within the Province. Thus **Improving Spatial Integration** is also another focus area for KZN Government in order to integrate the previously disadvantaged areas with more affluent areas, both in urban and rural parts of our Province. Efforts to address this issue include the improved formalisation of the rural settlements with the intentions being to provide residents with secure forms of land ownership. Another measure entails the development of Community Service Centres in areas where the largest rural population resides. KZN Government is still **committed to Accountability** in the delivery of meaningful programmes and services to the citizens of KZN through Strategic Performance Plans. Furthermore, it also remain **committed to Partnerships** in order to maintain a well-balanced relationship between businesses, labour and civil society.

The Province's contribution to the National Plan is expressed in its Vision, namely to ensure that: ***"By 2030 the Province of KwaZulu-Natal will be a prosperous Province, with healthy, skilled and secure people, acting as a gateway to Africa and the world"***.

2.2.4. MILLENNIUM DEVELOPMENT GOALS.

During the year 2000, 189 leaders of different nations committed themselves to rid the world from extreme poverty and many forms of deprivations that have been haunting all societies for years. However, South Africa has been a willing signatory of the Millennium Development Goals even before they were introduced through its alignment of a vision that was expressed and supported by millions of South Africans in the form of the 1955 Freedom Charter. The achievement of goals has always been an integral part as the building blocks towards addressing the challenges that are mainly due to the poor planning mechanisms of the apartheid government. Therefore, as part of the South African agenda for development, we aligned our path to the achievement the Millennium Development Goals which are as follows:-

1. To eradicate extreme poverty and hunger.
2. To promote universal primary education.
3. To promote gender equality and empower women.
4. To reduce child mortality.
5. To improve maternal health.
6. To combat HIV/AIDS, malaria and other diseases.
7. To ensure environmental sustainability.
8. To develop a global partnership for development.

In South Africa there still exists enormous pressures for the achievement of the MDG goals. Therefore efforts have been made in order to halve extreme poverty even though there still persists high inequalities. Efforts have also been made towards improving the levels of

education within the country through the provision of access to an efficient and high quality education system that is results-driven. And thus South Africa managed to achieve the goal of universal primary education before the targeted date of 2015.

Since 1994, South Africa has been recognised internationally for its relatively good performance in terms of common measures on gender equality. However, gender based violence still remains of particular concern which means decisively dealing with this issues is of particular importance in order to achieve the goal pertaining to the equality and the empowerment of women. According to the Millennium Development Goals Country Report 2013, the target regarding the ratio of literate females to literate males was achieved at 1:1. Therefore the processes already in motion should be maintained as there is still a long way to go in order to achieve gender equality. Significant efforts have also been made to improve the health system in order to reduce child mortality and improve maternal health including the fight against HIV/AIDS. The level of childhood mortality is reflective of a country's health status in general and the health status of the children in the country. There has been improved immunisation for children under the age of 1 hence contributing to the decrease in the child mortality rate.

The creation of awareness campaigns towards the fight against the HIV/AIDS pandemic has also given some positive results. In 2012 South African had the largest population of people living with HIV/AIDS which was estimated at 5.6 million. However, the percentage of HIV prevalence among the population aged between 15 – 24 years has declining significantly over the years, from 10.3% in 2005 to 7.3% in 2012. This is a positive sign towards reaching the goal of combating HIV/AIDS despite the prevalence of some challenges. Fundamental to the nature of NLM is the development of sustainable human settlements and the conservation of the environment thereof. Through strict land use measures and the mainstreaming of development, the significance natural habitats is realised. South Africa accounts for 65% of the carbon emissions in Africa and thus the sustainability of the natural forests is of concern. Like most other countries, South Africa is also vulnerable and exposed to the impacts of climate change and variability due to the socio-economic and environmental context. Therefore, key mitigation programmes have been identified including the promotion of the use of clean energy resources. Such measures will also aid thus decrease the rate of Ozone depletion. Within NLM there has been improvement regarding the provision of access to water and also the provision of improved access to sanitation.

2.2.5. OPERATION SUKUMA SAKHE.

Operation Sukuma Sakhe (OSS) is a strategy to integrate departmental programmes and deliver jointly on outcomes since success depends on the cooperation of several departments. It has ensured that services are brought together at the level of communities

in the wards and empowers communities to discuss with various government officials who do not necessarily work at ward levels in a venue designated as “WAR ROOM.” This strategy has been implemented to coordinate the efforts of various sectors and mobilize society for a common purpose.

Newcastle Municipality has launched the Provincial Sukuma Sakhe program at ward 9 as an attempt to declare war against poverty and social challenges facing the community of Newcastle. Operation Sukuma Sakhe Programme (formerly known as the Flagship Programme) seeks to institute food security, fight disease (in particular HIV, AIDS and TB, and poverty), to empower women and youth, and to instil behavioural changes amongst the citizens of the KwaZulu-Natal province. The formulation of this 4th Generation IDP has adopted the principles of the Operation Sukuma Sakhe Program thereby establishing partnerships with the local community and getting involved in War Rooms.

Operation Sukuma Sakhe has the 'whole of Government’s approach as its philosophical basis. It spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government. Therefore, delivery of services is required through partnership with the community, stakeholders and government. Newcastle Municipality has ensured that all 31 ward committees together with ward councillors do participate in this program through the formation of war rooms at ward level.

Operation Sukuma Sakhe is a continuous interaction between Government and the community to come together to achieve the 12 National Outcomes. The program encourages the social mobilization where communities have a role, as well as the delivery of government services in a more integrated way. The Government has structured programs which need to get as deep as to the level of the people they are serving. This is at ward level, translating to all 31 wards and all households within the Newcastle area of jurisdiction. The KwaZulu-Natal provincial government humbly accepts that it cannot achieve this alone, but needs the community's hands in building this nation together.

The following Provincial departments have been prominent in spearheading the Operation Sukuma Sakhe program in the Newcastle Municipality’s jurisdictional area. These include; Department of Health, Education, Sports and Recreation, Social Development, Office of the Premier and Co-Operative Governance and Traditional Affairs through Community Development Workers (CDWs).

Most recently, the Provincial legislature has visited the Amajuba family of municipalities on the 27th of May 2015 in order to play an oversight role regarding the performance of Operation Sukuma Sakhe. This visit was championed by the Honourable Premier of KwaZulu-Natal Mr. Senzo Mchunu. Amongst the progress highlighted was the decrease of the infection rate within the district, the increase of primary school attendance, access to social grants. However, the increase in the levels of crime was identified as amongst the key challenges within the district. Therefore, one may argue that it emanates from the current high rate of unemployment amongst the young population. There might be many reasons thereof. With regards to Newcastle, the CCTV Cameras Programme is being implemented to combat crime in the area especially in the urban areas. In addition, the Speaker's Forum is working closely with the South African Police Service (SAPS) in developing strategies to combat crime. While the crime statistics are a sensitive information, the SAPS is co-operating very well with the municipality.

2.2.6. BACK TO BASICS.

Local government is the sphere of government which is closest to the people. It is also the gateway to service delivery and the platform where most citizens get to interface and interact with government. The vision of a developmental local government system was that it would be the building block on which the reconstruction and development of the country and society was to be built. It was also a place in which the citizens of South Africa could engage in a meaningful and direct way with the institutions of the state. A number of issues related to governance within the local sphere have emanated over the years hence necessitating efforts that support, educate and where needed, enforce implementation **(Refer to ANNEXURE A: NLM BACK TO BASICS TEMPLATE)**. In light of the issues related to the local sphere of government, the transformation of the government sectors thereof remains a priority.

According to the National Development Plan, achieving South Africa's transformation agenda requires functional municipalities and a capable machinery at a local level that can create safe and healthy economically-sustainable areas where citizens and people can work, live and socialize. Therefore, it is vital to understand where South Africa is, where the country could be and what needs to be done in order to achieve the developmental vision of the country. The goal of Government is to improve the functioning of municipalities in order to effectively render meaningful basic services to communities by getting the basics right. Since the decentralized system of local government was put in place in 1995, as enshrined in the country's Constitution (i.e. as a 'distinctive, interdependent and

interrelated' sphere of government), much has been achieved towards building local government.

National Government has provided support to the system of local government through the development of world-class local government legislation and policy, supported by a transparent system of intergovernmental grants that enable municipalities to perform their roles. Furthermore, a wall to wall system of municipalities has been developed for the sole purpose of integrating communities that were previously divided by the apartheid regime. The Local Government White Paper put forward a vision of local government as a key component of the developmental state, and in pursuit of that vision, services have been progressively extended to more citizens than ever before.

His Excellency, President Jacob Zuma, in his State of the Nation Address delivered on the 17th of June 2014, articulated Government's concerns regarding improvements needed at local government level. As part of Government's plan of action to revitalize local government, President Jacob Zuma stated that "*South African municipalities are built on a firm foundation, built over the last 20 years of democracy. We have evaluated all our municipalities. We have inspected their financial management, how they work within legislative processes as well as their ability to roll out projects and to address capacity constraints. We have also looked at how they respond to service delivery protests. There have been many successes in many municipalities. However, we face a number of challenges*."

Therefore, against the backdrop of the statement by His Excellency - President Jacob Zuma, the Ministry of Cooperative Governance and Traditional Affairs is pursuing the Back to Basics Approach in order to address the challenges that are faced by local government, and also to strengthen municipalities and instill a sense of urgency towards improving the lives of citizens. The Back to Basics Approach is premised on the recent review of all the 278 municipalities within South Africa, which established three groups of municipalities namely the Top Group, the Middle Group, and the Lower Group. In terms of the Back to Basics Approach, clear benchmarks are set and these are directed towards increasing performance in Government's efforts to ensure that all municipalities perform these basic functions without compromise.

Furthermore, the Back to Basics Approach is of significance because it also supports a transformation agenda which is premised on the need to ensure functional municipalities as outlined by the Minister of Cooperative Governance and Traditional Affairs in his 2014 Budget Vote. The approach is informed by the Constitution, legislation and programmes that are intended at streamlining a new agenda aimed at changing Government's approach and strategic orientation especially at a local level towards serving the people whilst ensuring service delivery.

As part of Government's efforts to recognize and adequately reward good performance and ensure sufficient consequences for under-performance, the Department of Cooperative Governance (DCoG) has developed a set of indicators to be reported on a monthly basis as per the pillars of the Back to Basics Approach. These indicators will functions thus to measure whether Newcastle Municipality is performing in terms of the basics and these are as follows:-

- Putting people first;
- Delivering basic services;
- Good governance;
- Sound financial management; and
- Building capable local government institutions.

Following the first Back to Basics reporting template sent in terms of the Department of Cooperative Governance Circular No. 47 of 2014, Newcastle Municipality's reporting template is attached as **ANNEXURE A**. According to the circular, Newcastle Municipality is obliged to furnish the Minister of COGTA with information on a monthly basis in order to assist in the analysis of the state of local governance within South Africa, and also to afford COGTA the opportunity to make an informed assessment to support and intervene where needed.

The following table depicts the **'Back to Basics and Councilors Constituency Week'** which was undertaken with the Newcastle Municipality's jurisdictional wards.

WARDS	CLLR NAME	DATE	TIME	VENUE
WARD1	Kubheka Shadrack	02/06/15	10h00	Town Hall
WARD2	Cronje Elizabeth Johanna Cecelia	10/06/15	18h00	Drakensberg School
WARD3	Shunmugam Matthew	04/06/15	18h30	Ward 3 War room
WARD4	De Jager Tanya June	03/06/15	18h00	Town Hall
WARD5	Khoza Lindiwe Goodness	07/06/15	14h00	Hope High School
WARD6	Mbatha Justice Sishosonke	08/05/15	10h00	Dicks Hall
WARD7	Hlatshwayo Sipho Bernard	13/06/15	08h00	Zazi School
WARD8	Buthelezi Sipho Sikhumbuzo Eugene	14/06/15	10h00	Open space near depot
WARD9	Gama Fikile Phamela	01/06/15	10h00	Osizweni High ground
WARD10	Buthelezi Doris Rosetta Fikile	07/06/15	09h00	Enhlokweni School
WARD11	Malindi Hardin Themba	14/06/15	14h00	Thembalentsha School
WARD12	Molelekoa Reuben Moses	29/05/15	09h00	KwaMpoto Hall
WARD13	Mdluli Racheal Ncini	14/06/15	14h00	Xolani High School
WARD14	Zikhali Mandla Flep	06/06/15	09h00	Stafford Clinic
WARD15	Matthews Nobelungu Shirley	06/06/15	08h30	Emzamo
WARD16	Ngwenya David	05/06/15	15h00	Mtimande School
WARD17	Sibilwane Deanah Maria	04/06/15	08:30	Sesiyabonga high School
WARD18	Tshabalala Duma Esau	14/05/15	08h00	Siphumelele
WARD 19	Mdlalose Mndala Obed	15/06/15	10H00	Section 6 Ground
WARD20	Mbatha Zweli Jackson	28/05/15	11h00	KwaMathukuza Hostel
WARD21	Ndlovu Schaba Griffiths	09/06/15	16h00	Mlamuleli School
WARD22	Hlabisa Thomas Sibusiso	09/06/15	11h00	Enyonini
WARD23	Ngobese Nana Jane	31/05/15	14h00	Phikelela School
WARD24	Gabuza Johan Khosana	06/06/15	14h00	Ezincwadini School
WARD25	Ngcobo Mqapheli Epharaim	03/06/15	17h00	Arbor Park

WARD26	Bhekiswayo Magangane Malisha	31/05/15	14h00	Park
WARD27	Msibi Nonhlanhla Alzinah	31/05/15	14h00	Zanele crèche
WARD28	Shabalala Dukuza Obed	11/06/15	11h00	Thobani School Ground
WARD29	Mbokazi Mbekezeli Nqobile	07/06/15	10h00	Cathulani School
WARD30	Mkhwanazi Happiness Nosiphiwo	25/05/15	10h00	Zimazisa Creche
WARD31	Madonsela Happy Samson	06/06/15	09h00	R Eposini

2.2.7. NATIONAL, PROVINCIAL, DISTRICT AND LOCAL PROGRAMMES ALIGNMENT

Table 1: NDP & MTSF, PGDP, DGDP and NLM IDP Alignment.

5 Key National Priorities	MTSF 14 NATIONAL OUTCOMES	KZN PGDP 7 Strategic Goals	ADM DGDP 7 Strategic Goals	NLM IDP Priority Issues
Creation of decent work and sustainable livelihoods for inclusive growth	**Outcome 4:** Decent employment through inclusive economic growth	**Goal 1:** Job Creation	**Goal 1:** Expanded Provincial economic output	Poverty and Unemployment
				Impact of regional economic trends
				Economic Stagnation
	Outcome 5: A skilled and capable workforce to support and inclusive growth path	**Goal 2:** Human Resource Development	**Goal 2:** The human resource capacity of the province is adequate, relevant	Poverty and Unemployment
				Poor access to Public Facilities
	Outcome 6: An efficient, competitive and responsive infrastructure network	**Goal 4:** Strategic Infrastructure	**Goal 4:** Strategic infrastructure that provides for the social and economic growth and development needs of Amajuba District.	Infrastructure Backlogs – Upgrading and expansion of existing infrastructure
				Roads and Stormwater
Rural development, land reform and food security	**Outcome 7:** Vibrant, equitable, sustainable	**Goal 1:** Job Creation	**Goal 1:** Expanded Provincial economic	Poverty and Unemployment

for inclusive growth	rural communities contributing towards food security for all		output	Impact of regional economic trends
				Economic Stagnation
	Outcome 8: Sustainable human settlements and an improved quality of household life	**Goal 3:** Human and Community Development	**Goal 3:** Poverty and inequality in Amajuba is reduced	Poverty and Unemployment
				Poor access to Public Facilities
	Outcome 10: Environmental assets and natural resources that are well protected and enhanced	**Goal 5:** Environmental Sustainability	**Goal 5:** Reduced global greenhouse gas emissions and create social-ecological capacity to adapt to climate change	Urbanization – Sustainable human settlements
				Inefficient spatial integration
Education	**Outcome 1:** An improved quality of basic education	**Goal 2:** Human Resource Development	**Goal 2:** The human resource capacity of the province is adequate, relevant	Poverty and Unemployment
				Poor access to Public Facilities
Health	**Outcome 2:** A long and healthy life for all South Africans	**Goal 3:** Human and Community Development	**Goal 3:** Poverty and inequality in Amajuba is reduced	Poverty and Unemployment
				Poor access to Public Facilities
	Outcome 3: All people in South Africa are and feel safe	**Goal 3:** Human and Community Development	**Goal 3:** Poverty and inequality in Amajuba is reduced	Poverty and Unemployment
				Poor access to Public Facilities
	Outcome 9: A responsive,		**Goal 6:** The population of	Debt Management

Fighting crime and corruption	accountable, effective and efficient developmental local government system	**Goal 6:** Governance and Policy	Amajuba is satisfied with the level of government service delivery	Financial Control
	Outcome 11: A better Africa and a better world as a result of South Africa's contributions to global relations	**Goal 6:** Governance and Policy	**Goal 6:** The population of Amajuba is satisfied with the level of government service delivery	Debt Management Financial Control
	Outcome 12: An efficient and development-orientated public service and an empowered, fair and inclusive citizenship	**Goal 6:** Governance and Policy	**Goal 6:** The population of Amajuba is satisfied with the level of government service delivery	Debt Management Financial Control
	Outcome 13: An inclusive and responsive social protection system	**Goal 3:** Human and Community Development	**Goal 3:** Poverty and inequality in Amajuba is reduced	Poverty and Unemployment Poor access to Public Facilities
		Goal 6: Governance and Policy	**Goal 6:** The population of Amajuba is satisfied with the level of government service delivery	Debt Management Financial Control
	Outcome 14: Transforming society and uniting the country	**Goal 7:** Spatial Equity	**Goal 7:** Increased spatial access to goods and services in Amajuba	Inefficient spatial integration Poor access to Public Facilities



SECTION 3:
CURRENT SITUATION ANALYSIS

3. STATUS QUO ANALYSIS.

Future development within NLM should respond directly to the development trends, patterns, needs and aspirations of those who live and/or work within the area. It must be relevant to the local context while also contributing to the attainment of the provincial and national development imperatives. This section provides a detailed analysis of the current development situation within NLM. It is structured substantially in accordance with the Key Performance Areas (KPA), but also considers issues that are pertinent to Newcastle Municipality. The national KPA's are as follows:-

- Social and economic development.
- Infrastructure development (service delivery).
- Institutional development and corporate governance.
- Financial management.
- Democracy and good governance.
- Spatial planning and Environment.

3.1. DEMOGRAPHIC PROFILE.

3.1.1. POPULATION SIZE AND GROWTH PATTERNS.

The official government figures reflected in the 2011 census data estimates the total population of the NLM to 363 236 people. This marks a net population increase of 0.87% per annum between 2001 and 2011. It is noted that between 1996 and 2001, population increased by 2.93% per annum.

Table 2: Population Growth and Density.

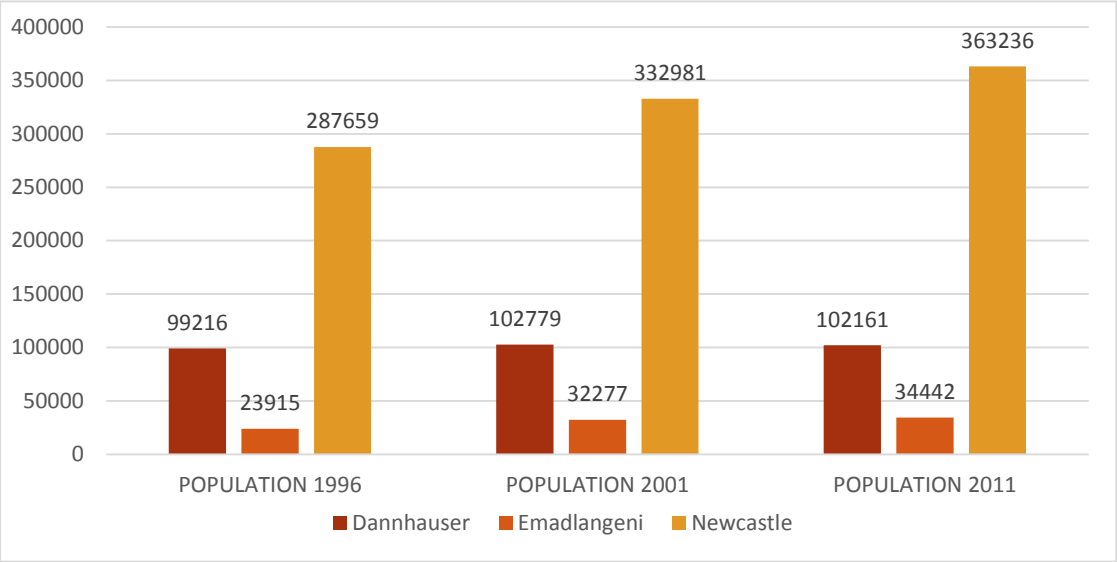
District	Population Size	% Share of KZN Population	% Share of Amajuba Population	Area in Square km	Population Density (ppl/km2)
KwaZulu-Natal	10 267 299			93 378	110.8
Amajuba	499 839	4.9		6 921	72.9
Newcastle	**363 236**	**3.5**	**72.7**	**1 689**	**197.7**
Emadlangeni	34 440	0.3	6.9	3 714	18.3
Dannhauser	102 162	1.0	20.4	1 518	67.5

Source: Stats SA, 2011 Census Data.

This trend is characteristic of the whole district with municipalities such as Dannhauser recording a negative growth rate between 2001 and 2011. Population growth rate in Newcastle is above district average of 0.66% making Newcastle the fastest growing municipality in the district in terms of population.

Newcastle accounts for 73% of the district population, 20% and 7% for Dannhauser and Emadlangeni Municipality respectively.

Figure 4: Population Growth in Amajuba District.



Source : Stats SA, 2011 Census Data.

As indicated in Figure 2 and 3 above, population growth rate in Newcastle is in an upward trajectory with the majority of the growth occurring mainly in the Eastern areas – around the Madadeni and Osizweni Townships. These are largely underdeveloped areas occupied mainly by low income and poor communities. The current population movement patterns in the region suggest that the urbanization phenomenon continues with factors such as natural growth rate, breakdown in extended families and in-migration being the main drivers of growth. In-migration arises mainly from perceived urban opportunities and prospects for a better life, poor access to services and lack of employment opportunities in the rural hinterland and general decline in employment opportunities in the agricultural sector. Over the last ten years, Newcastle's agricultural region has registered a net decline in both production and employment opportunities.

3.1.2. HOUSEHOLD SIZE.

Similarly, Newcastle accounts for the majority (84 270) households found within Amajuba District. This is consistent with the population distribution which suggests that the majority of the population within the district resides in Newcastle Municipality. Average household

size is 4.3 people which suggest a slight decline in average household size from the one recorded in the year 2001.

Table 3: Number of households within Newcastle.

DISTRIBTION OF HOUSEHOLDS BY MUNICIPALITIES	NUMBER OF HOUSEHOLDS		AVERAGE HOUSEHOLD SIZE		FEMALE HEADED HOUSEHOLDS %	
	2001	2011	2001	2011	2001	2011
Newcastle	**71 164**	**84 270**	**4.6**	**4.3**	**45.1**	**47.5**
Emadlangeni	6 187	6 252	4.8	5.5	32.2	38.8
Dannhauser	19 320	20 439	5.3	5.0	48.6	50.7
Amajuba	96 670	110 963	4.8	4.5	44.9	47.6

Source: Stats SA, 2011 Census Data.

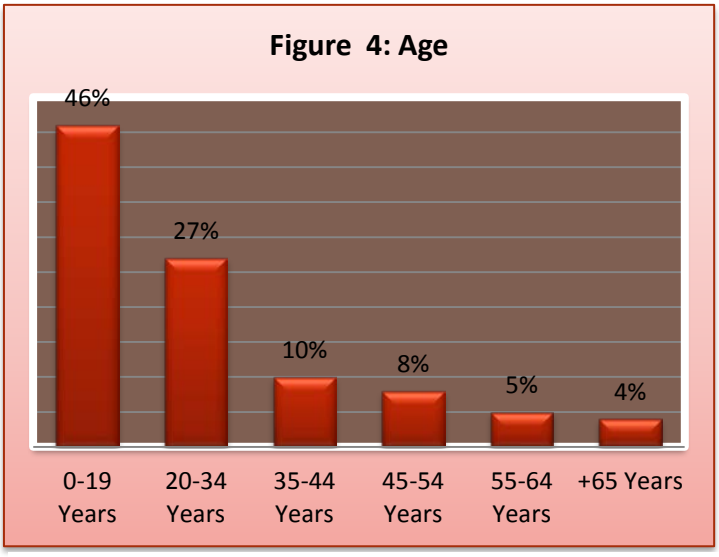
The number of households headed by women has increased from 45.1% in 2001 to 47.5% in 2011 in line with the district average of 47.6%. This read together with the relative decline in population growth rate suggests an increasing level of circular migration coupled with an increasing breakdown in extended and compounded households.

Source: Stats SA, 2011 Census Data.

3.1.3. AGE STRUCTURE.

Newcastle's population is relatively young with 46% of the population being younger than 19 years of age, while the age group between 20 and 34 years accounting for 27% of the population. Collectively the youth in Newcastle (0 – 34 years) makes up 71% of the total population, and this places immense pressure on the provision of educational facilities, social welfare, health services and the stimulation of the economy to provide job opportunities and economic development. The immigration of the youth and economically active population implies an increasing need for both recreational and educational facilities and places more pressure on the need for employment opportunities.

Figure 5: Population Distribution by Age.

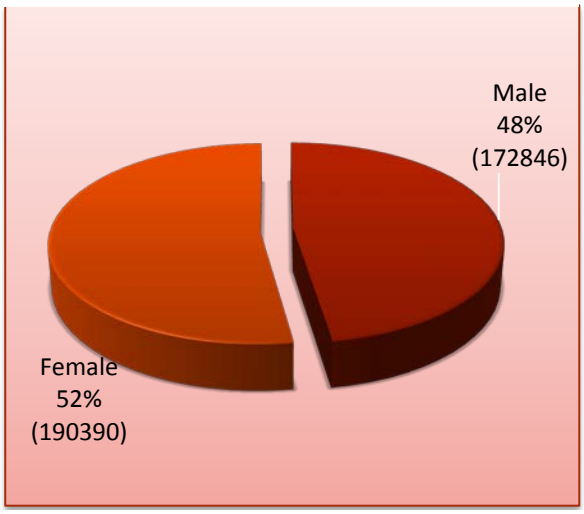


Source: Stats SA, 2011 Census Data.

3.1.4. GENDER.

Regarding gender distribution within the Newcastle Municipal area, 52% of the total population is female while males account for the remaining 48%. This gender distribution conforms to the National norm. Thus the need for programmes specifically targeted towards gender equity are of critical importance. In response to this, the Newcastle Municipality has prioritized gender issues as part of its Special Programmes. Specific projects and programmes aligned to the National Program should be developed and rolled out in line with the municipal program of action.

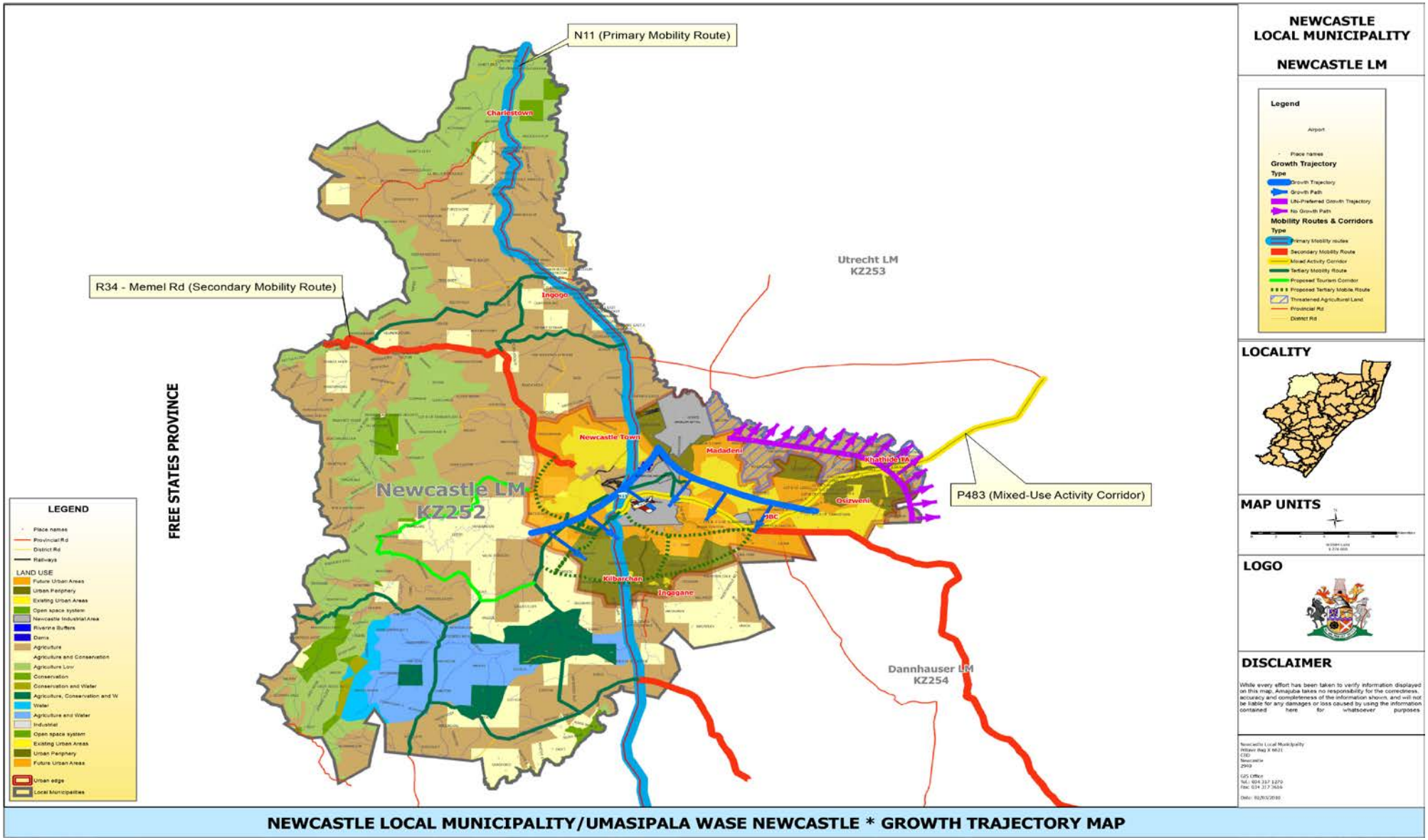
Figure 6: Population Distribution by Gender.



Source: Stats SA, 2011 Census Data.

3.1.5. HIV AND AIDS.

The HIV and AIDS pandemic has had a profound impact on both the quality of life of communities and families and on the economy. A number of initiatives have been implemented through the National Department of Health to combat the current epidemic, however major challenges still remain. Within Newcastle, the number of HIV positive persons has increased at an average annual growth rate of 2.9% during the period 2000 - 2010, bringing the percentage of the population with HIV to almost 17% of the total population. The number of AIDS related deaths has increased at an average annual growth rate of 8.7% during the period 2000 – 2010, with AIDS deaths accounting for about 62% of total deaths in the municipality. This highlights the severity of the current situation and the need for interventions that target and attempt to address these HIV/AIDS challenges.



Map 1: Newcastle Municipality Growth Trajectory Map (Source: NLM Final SDF 2014/15).

The above Growth Trajectory Map abo depicts the desired population movement trends within Newcastle. This also entails the desired spatial responses to urbanization which envisions population movement from the Newcastle West and Newcastle East areas towards the Southern boundary of Newcastle, just before Kilbarchan. This is based on the proximity of this area to economic opportunities in the form of the surrounding Industrial Area and the Newcastle CBD. This places pressure on Council to provide a variety of housing typologies such as social housing, CRUs, and rental housing stock around the Newcastle CBD. With the general population close to places of employment opportunity, it will decrease reliance on public transportation hence introducing new modes of mobility such as walking and cycling that will ultimately result in a decrease in the levels of greenhouse gas emissions.

3.2. SOCIO-ECONOMIC PROFILE.

3.2.1. EDUCATION PROFILE.

Since from the year 2001, significant progress has been made with regards to the education profile of Newcastle. In terms of the total number of people who did not have any formal education, it has declined drastically from 11.33% (37 738) in 2001 to 4.75% (17 270) in 2011. In terms of gender, the situation remains unchanged. In 2001 the highest concentration of illiteracy within Newcastle was amongst the female population at 54.58% (20 598) as compared to the male population at 45.42% (17 140). In the year 2011 the highest concentration of illiteracy is amongst the female population at 59.21% (10 149) as compared to the male population at 40.49% (7 121). This implies that illiteracy levels are increasing amongst the female population whilst they decrease amongst the male population. The illiteracy gap in terms of gender remains at 3028 females more than the males.

In terms of the number of people with access to primary education as the highest level of education (Grade 0 – Grade 9), there has been a decreased since 2001. In 2001 the number of people who had access to primary education as the highest level of education constituted 52.08% (173 404) of the total population. This decreased in the year 2011 to 40.11% (145 730). In terms of the people with secondary education (Grade 10 – Grade 12) as the highest level of education, Newcastle has shown some progress. In the year 2001 the number of people with secondary education as the highest level of education constituted

27.99% (93 229) of the total population. This increased in the year 2011 to 35.66% (129 522).

There has been a drastic increase in the number of people with access to tertiary education as the highest level of education from the period 2001 to 2011. In 2001 the number of people who had access to tertiary education as the highest level of education constituted 1.81% (6 040) of the total population whereas in 2011 they constitute 3.35% (12 177) of the total population. In basic terms, the amount has double from what it was in the year 2001. In terms of the number of people with access to higher education as the highest level of education, we have also seen an increase. In 2001 the number of people with access to higher education as the highest level of education constituted 3.15% (10 497) of the total population whereas in 2011 this increased to 4.05% thus marking a 0.9% increase at a growth rate of 0.09% increase annually. However, it is envisaged that the figure pertaining to the number of people with access to higher education as the highest level of education could rise drastically if some tertiary institutions were introduced within the confines of the Newcastle Municipality. This would also aid in the provision of employment opportunities and help in retaining highly qualified labour within Newcastle.

Table 4: The rate of literacy within Newcastle.

	2001			2011		
	Male	**Female**	**Grand Total**	**Male**	**Female**	**Grand Total**
Grade 0	-	-	-	6 736	6 418	**13 154**
Grade 1 / Sub A	7 664	7 192	**14 856**	5 942	5 937	**11 878**
Grade 2 / Sub B	5 424	5 419	**10 843**	5 715	6 284	**11 999**
Grade 3 / Std 1/ABET 1Kha Ri Gude;SANLI	6 939	7 300	**14 239**	5 553	6 121	**11 674**
Grade 4 / Std 2	7 683	8 262	**15 945**	6 486	6 912	**13 397**
Grade 5 / Std 3/ABET 2	7 355	7 865	**15 221**	6 061	6 679	**12 740**
Grade 6 / Std 4	7 307	8 424	**15 731**	6 279	6 708	**12 987**
Grade 7 / Std 5/ ABET 3	9 387	11 009	**20 396**	7 606	8 577	**16 183**
Grade 8 / Std 6 / Form 1	10 829	12 345	**23 174**	10 597	11 851	**22 448**
Grade 9 / Std 7 / Form 2/ ABET 4	9 003	10 603	**19 603**	9 117	10 153	**19 270**
Grade 10 / Std 8 / Form 3	12 247	14 761	**27 009**	13 355	15 138	**28 493**
Grade 11 / Std 9 / Form 4	9 001	10 819	**19 820**	12 996	15 241	**28 237**
Grade 12 / Std 10 / Form 5	21 924	24 476	**46 400**	34 279	38 513	**72 792**
NTC I / N1/ NIC/ V Level 2	-	-	-	515	495	**1 011**
NTC II / N2/ NIC/ V Level 3	-	-	-	575	390	**965**
NTC III /N3/ NIC/ V Level 4	-	-	-	709	417	**1 126**
N4 / NTC 4	-	-	-	732	491	**1 223**
N5 /NTC 5	-	-	-	469	337	**806**
N6 / NTC 6	-	-	-	576	360	**936**
Certificate with less than Grade 12 / Std 10	500	482	**981**	237	262	**499**
Diploma with less than Grade 12 / Std 10	242	328	**570**	185	288	**473**
Certificate with Grade 12 / Std 10	2 298	2 191	**4 489**	2 312	2 826	**5 138**
Diploma with Grade 12 / Std 10	2 753	4 472	**7 225**	2 158	2 966	**5 124**
Higher Diploma	-	-	-	1 515	2 192	**3 707**
Post Higher Diploma Masters; Doctoral Diploma	-	-	-	301	329	**630**
Bachelors Degree	862	917	**1 779**	1 041	1 349	**2 390**

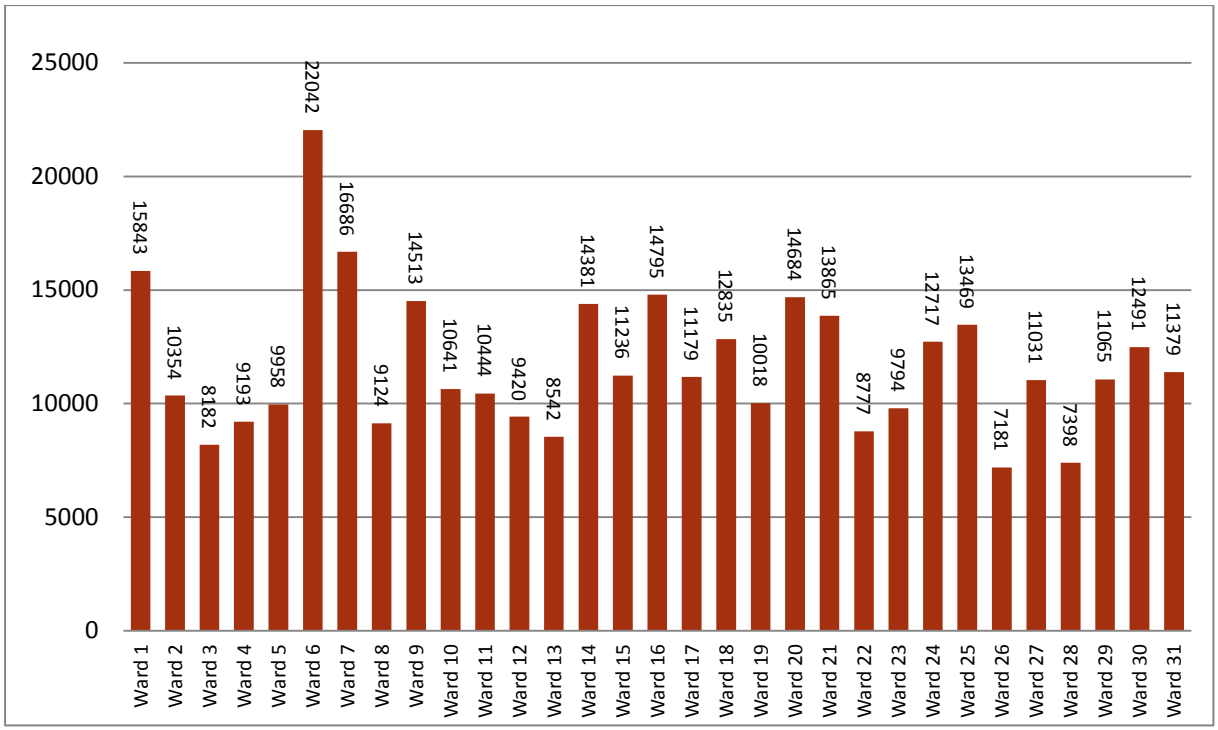
Bachelors Degree and Post graduate Diploma	398	408	**806**	397	424	**822**
Honours degree	204	200	**404**	421	601	**1 022**
Higher Degree Masters / PhD	187	96	**283**	298	209	**508**
Other	-	-	-	267	256	**523**
No schooling	17 140	20 598	**37 738**	7 121	10 149	**17 270**
Unspecified	-	-	-	-	-	**-**
Not applicable	17 786	17 681	**35 467**	22 298	21 514	**43 812**
Grand Total:	**157 134**	**175 847**	**332 982**	**172 846**	**190 390**	**363 236**

Source: Stats SA, 2011 Census Data.

3.2.2. POPULATION DISTRIBUTION BY WARD.

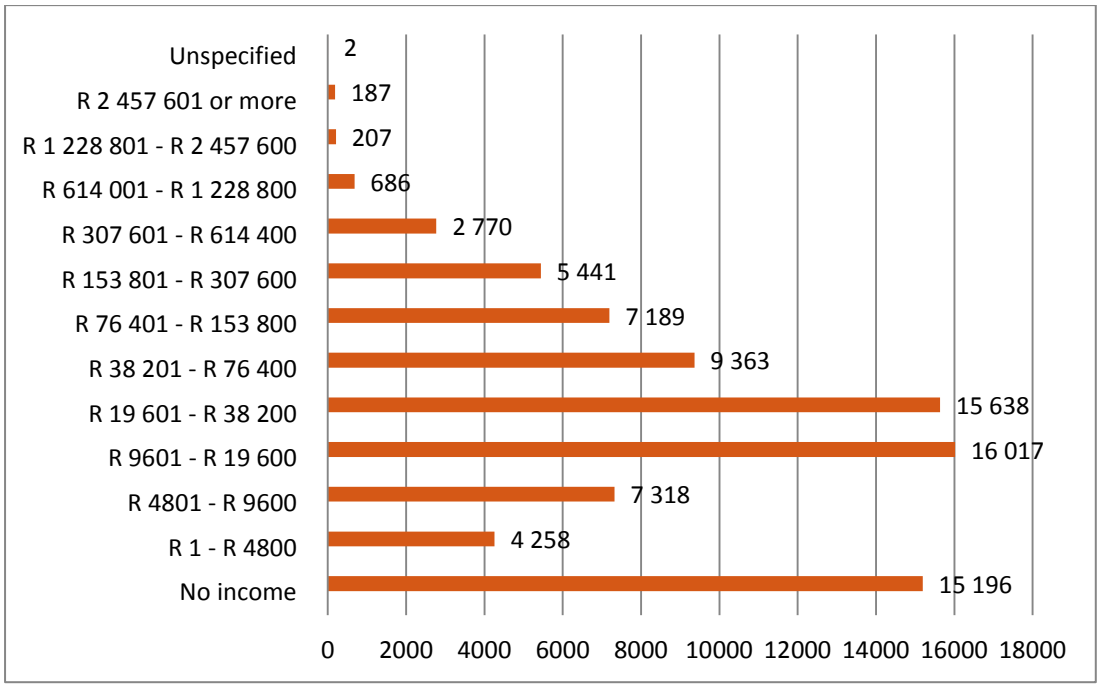
The population is spread unevenly amongst thirty one (31) municipal wards, with ward 6 being the most populated ward followed by ward 7 and ward 1. The main settlement areas that are found in ward 6 include Jobstown, the New Dicks Halt area, and the Masondeza area. Ward 7 comprises of the Manzana area, Inverness and parts of the Madadeni Township. Ward 1 is rural in nature with settlements such as Kilbarchan, Ingagane, Clavis and farmlands with different rural settlements.

Figure 7: Population distribution by ward.



Source: Stats SA, 2011 Census Data.

Figure 8: Annual Household Income.



Source: Stats SA, 2011 Census Data.

Newcastle Municipality has a generally low income population with a large number of people living in abject income poverty as they do not have a reliable source of income. The majority of the income earners are those who earn between R9 601 – R19 600 per annum (16 017 people) closely followed by those who earn between R19 601 – 38 200 per annum (15 638 people). Dependence on grant funding such as social welfare grants and pensions is also relatively high. As indicated in figure 6 above, the level of representation drops sharply as income brackets increases. As a result, the levels of affordability are generally low while dependency on social grants is high. 22 000 people applied to be registered on the indigent list for the municipality in 2010 and, as of July 2014 the figure had dropped drastically to 18 415, marking a 16.3% decrease. However, based on figures from the 'Summary of Registered Indigent Account Holders' (July 2014 – June 2015), as of January 2015, there has been a slight increase in the list to 18 973, marking an increase by 13.3%. The wards with the highest concentration of indigents are represented on the table below:-

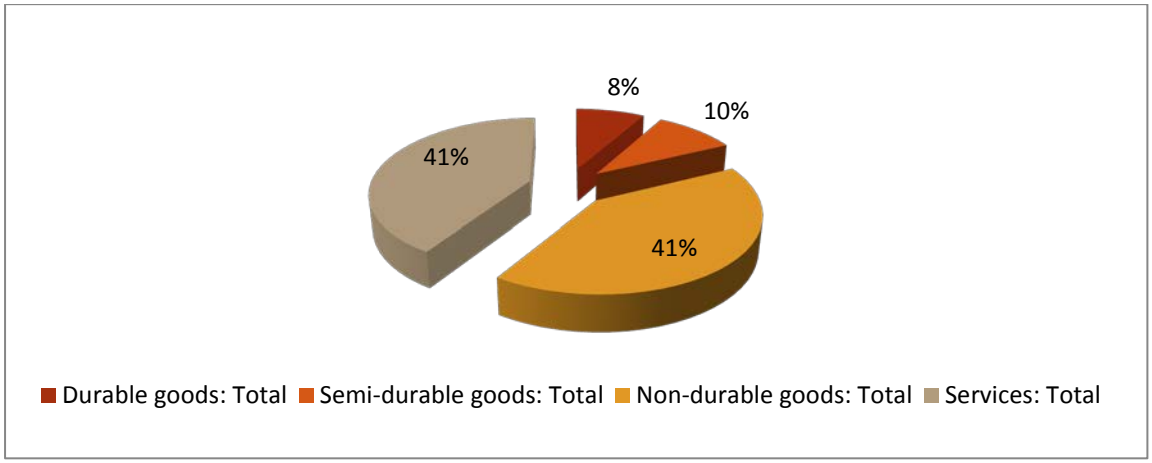
WARD	NO. OF INDIGENTS
WARD 20	1 501
WARD 14	1 286
WARD 9	1 270
WARD 10	1 239
WARD 17	1 119
WARD 11	1 047

WARD 24	1 023

3.2.3. HOUSEHOLD EXPENDITURE.

The total household income in 2010 was approximately R7.8 billion in Newcastle, of which 69.2% is remuneration (R5.4 billion) and 30.8% is unearned income (R2.4 billion). Of the total household income, 93.7% is household expenditure (7.3 billion), which consists of the purchase of goods and services. Savings were negative in 2010 suggesting that and additional R250 million worth of credit is being utilised in addition to total expenditure. The graph below displays the breakdown of expenditure into the major purchase categories.

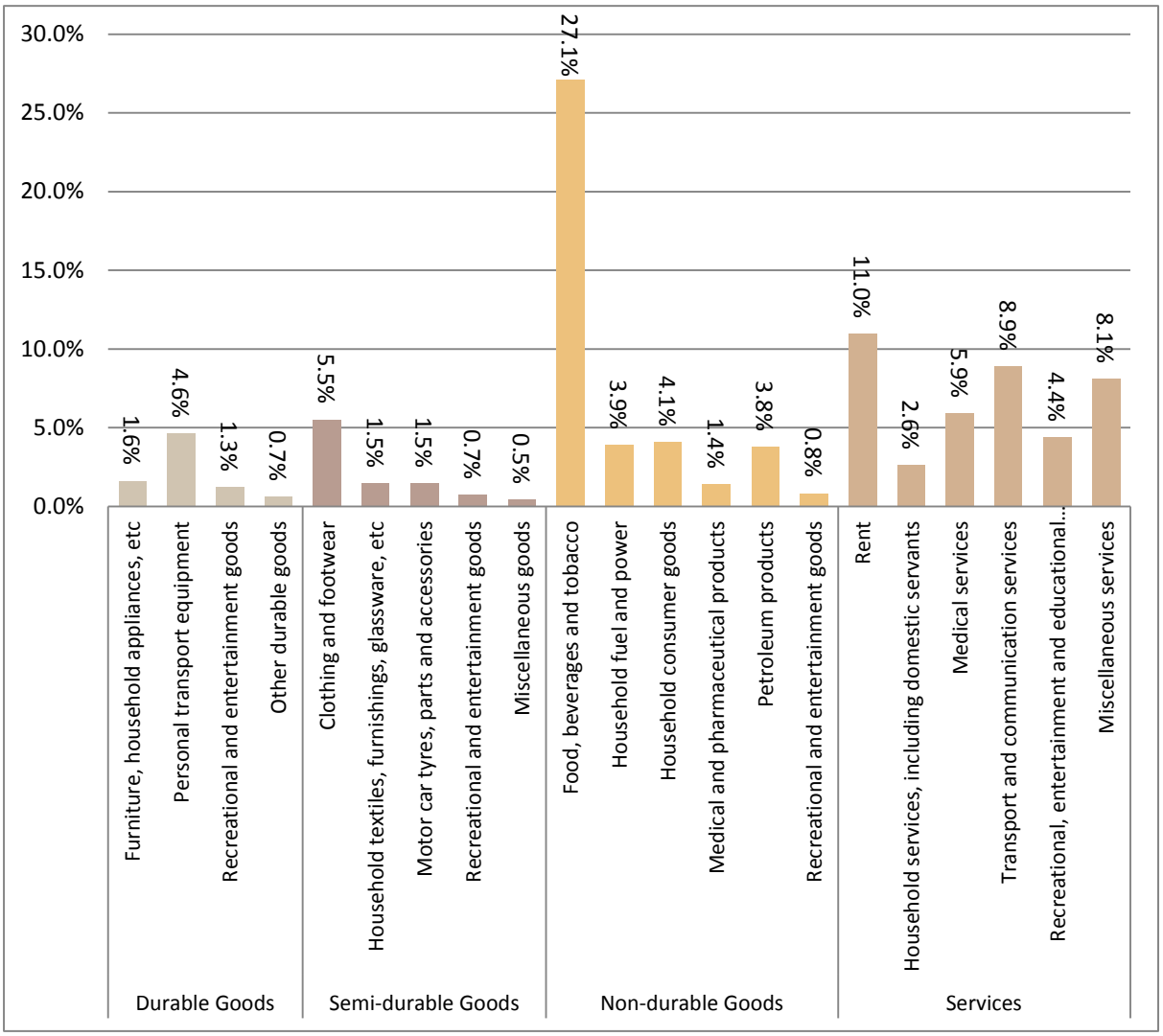
Figure 9: Household Expenditure.



Source: Urban-Econ calculations based on Quantec Data (2012).

The largest sub-category of expenditure is food, beverages and tobacco which collectively contributes just over 27% to the total expenditure within Newcastle. This is followed by rental (11%), transport and communication (8.9%), miscellaneous goods (8.1%), medical services (5.9%), and clothing and footwear (5.5%). This indicates that a large portion of expenditure is being used for basic necessity items such a food and clothing, as well as rent, transport and communication, with little left over for items such as household furnishings, transport equipment, recreation and entertainment, as well as luxury items.

Figure 10: Sub-category Contribution to Total Expenditure (2010).



Source: Urban-Econ calculations based on Quantec Data (2012).

3.2.4. EMPLOYMENT.

3.2.4.1. UNEMPLOYMENT RATE.

In terms of the unemployment rate within Newcastle, based on the figures presented on *Table 5* below (Stats SA 2001 Census Data), in the year 2001 the number of people illegible to work constituted 43.51% (144 885) of the total population. From the total number of people who were illegible to work, only a mere 39.52% (57 266) were employed and the rest of the 60.48% (87 619) were unemployed. The unemployed people within Newcastle were ranging from the seasonal workers who were presently unemployed, and individuals who could not find work.

Regarding the unemployment rate within Newcastle for the year 2011, the number of people who were illegible to work constituted 27.71% (100 654) of the total population. From the total number of people who were illegible to work, only 62.56% (62 968) were employed and the rest of the 37.44% (37 686) were unemployed. In terms of gender, in 2001 the highest concentration of the unemployed was amongst the female population (42 750) as compares to the male population (36 985) and in 2011 it still remains highest amongst the female population (20 129) as compared to the male population (17 557). In general, the decrease in the unemployment rate means progress has been made with within Newcastle from 60.48% in 2001 to 37.44% in 2011.

Table 5: Employment status by Gender in Newcastle.

	2001			2011		
	Male	Female	**Grand Total**	Male	Female	**Grand Total**
Employed	28 384	28 882	**57 266**	32 504	30 464	**62 968**
Unemployed	31 340	36 168	**67 508**	17 557	20 129	**37 686**
Scholar or student	22 455	20 622	**43 077**	-	-	-
Discouraged work-seeker	-	-	-	7 617	9 405	**17 021**
Home-maker or housewife	276	7 884	**8 160**	-	-	-
Pensioner or retired person/too old to work	3 845	6 155	**9 639**	-	-	-
Unable to work due to illness or disability	3 025	2 801	**5 826**	-	-	-
Seasonal worker not working presently	586	523	**1 109**	-	-	-
Does not choose to work	1 922	2 756	**4 678**	-	-	-
Could not find work	5 059	6 059	**11 118**	-	-	-
Other not economically active	-	-	-	50 405	61 820	**112 225**
Age less than 15 years	-	-	-	-	-	-
Not applicable	-	-	-	64 763	68 573	**133 335**
Grand Total	**96 533**	**111 850**	**208 383**	**172 846**	**190 390**	**363 236**

Source: Stats SA, 2001 – 2011 Census Data.

However, an analysis of the unemployment rate using the official expanded defition of unemployment reveals a slightly different picture. The average rate of unemployment in Newcastle Municipality is low compared to the Amajuba District, but higher than the provincial average of 21.7% and 22.4% among the females and males respectively.

3.2.4.2. EMPLOYMENT RATE.

The Newcastle Municipality accounts for 82.9% of the total informal employment and 76% of the total formal employment within the Amajuba District Municipality (refer to Table 3). This confirms the role of Newcastle as the main economic hub within the district.

Table 6: Employment Profile.

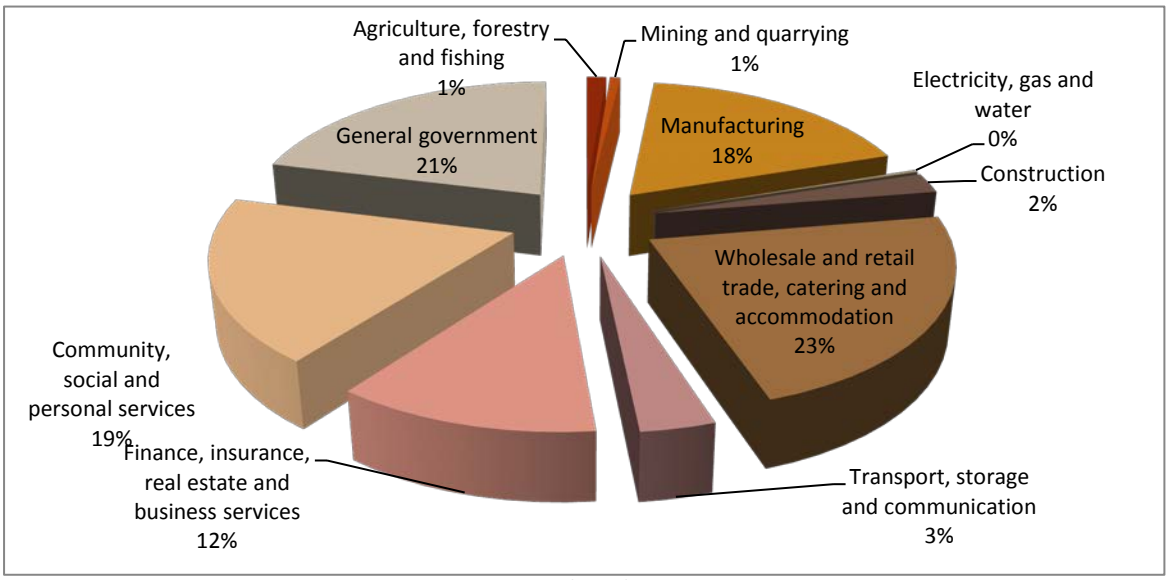
	Formal Employment	Informal Employment	Total Employment	% Share of KZN Formal Employment	% Share of KZN Informal employment	% Share of Amajuba Formal Employment	% Share of Amajuba Informal Employment
KwaZulu-Natal	1 503 482	550 992	2 054 474				
Amajuba	61 393	34 259	95 652	4.1	6.2		
Newcastle	46 661	28 397	75 058	3.1	5.2	76.0	82.9
Emadlangeni	8 918	3 838	12 756	0.6	0.7	14.5	11.2
Dannhauser	5 814	2 023	7 837	0.4	0.4	9.5	5.9

Source: Stats SA, 2011 Census Data.

3.2.4.3. FORMAL EMPLOYMENT BY INDUSTRY.

There is an almost equal share of skilled and semi/unskilled persons within Newcastle, mainly consisting of 44% and 43% of those employed in the formal economy, respectively. Only 13% of those employed in the formal economy are classified as highly skilled. The graph below displays the distribution of those employed in the formal economy by industry.

Figure 11: Formally Employed by Industry in Newcastle (2010).


Agriculture, forestry and fishing 1%
Mining and quarrying 1%
Electricity, gas and water 0%
General government 21%
Manufacturing 18%
Construction 2%
Wholesale and retail trade, catering and accommodation 23%
Community, social and personal services 19%
Finance, insurance, real estate and business services 12%
Transport, storage and communication 3%

Source: Urban-Econ calculations based on Quantec Data (2012).

The primary sectors of the economy only contribute 2% with regards to the total employment within Newcastle, with agriculture contributing 1.3% (800 people) and mining 0.7% (426 people). Of concern is the average annual growth rate of employment within the agriculture and mining sectors, which have declined significantly by 16% and 7.5% per annum since 2000, respectively. The manufacturing sector contributes 17.9% to the total employment (11,453 people) within the municipality, and has also experienced negative

growth with an average annual decline in employment of 5.2% since the year 2000. These trends are alarming as they highlight the decline in employment within the primary and secondary sectors, which forms the foundation of the economy, and are generally more labour intensive than tertiary sectors. Major intervention will be required to ensure that the agricultural and manufacturing sectors are regenerated to absorb more labour and stimulate economic activity.

The wholesale & retail trade, and catering & accommodation sector is the largest employer with 22.6% of total employment (14,426 people) concentrated in this sector. However, the sector has also experienced a decline though at a much lower rate of -0.4% on average per annum. The finance, insurance, real estate and business services sector contributes 11.9%, while the community, social and personal services contributes 18.6%. The general government services sector contributes to 21.1% of the total formal employment. All these sectors have experienced a low level of positive growth. The entire tertiary sector contributes 77.6% to the total employment within the Newcastle Municipality, which again is concerning given that the service sector relies on growth within the primary and secondary sectors to generate wealth.

3.2.5. ECONOMICALLY ACTIVE POPULATION.

Of the total population of Newcastle, 61% are within the working age bracket (16 - 64 years). Approximately 55% of those within the working age bracket are not-economically active. In terms of the strict definition of unemployment (those who are unemployed, and have given up looking for employment), 29.2% of the labour force (those willing and able to work) are classified as unemployed. This is in line with the district unemployment rate of 29.7%, yet higher than the provincial average of 23.2%. Of those employed, 79.7% are employed within the formal market, while the remaining 20.3% are employed in the informal market. The table below displays the level of skill of those employed in the formal employment market.

Table 7: Level of Education for Formal Sector Employees.

Level of Education	No. of People
Grade 0	91
Grade 1 / Sub A	204
Grade 2 / Sub B	390
Grade 3 / Std 1 / ABET 1Kha Ri Guide; SANLI	398
Grade 4 / Std 2	568
Grade 5 / Std 3 / ABET 2	580
Grade 6 / Std 4	664
Grade 7 / Std 5 / ABET 3	1 179
Grade 8 / Std 6 / Form 1	1 946
Grade 9 / Std 7 / Form 2 / ABET 4	1 733

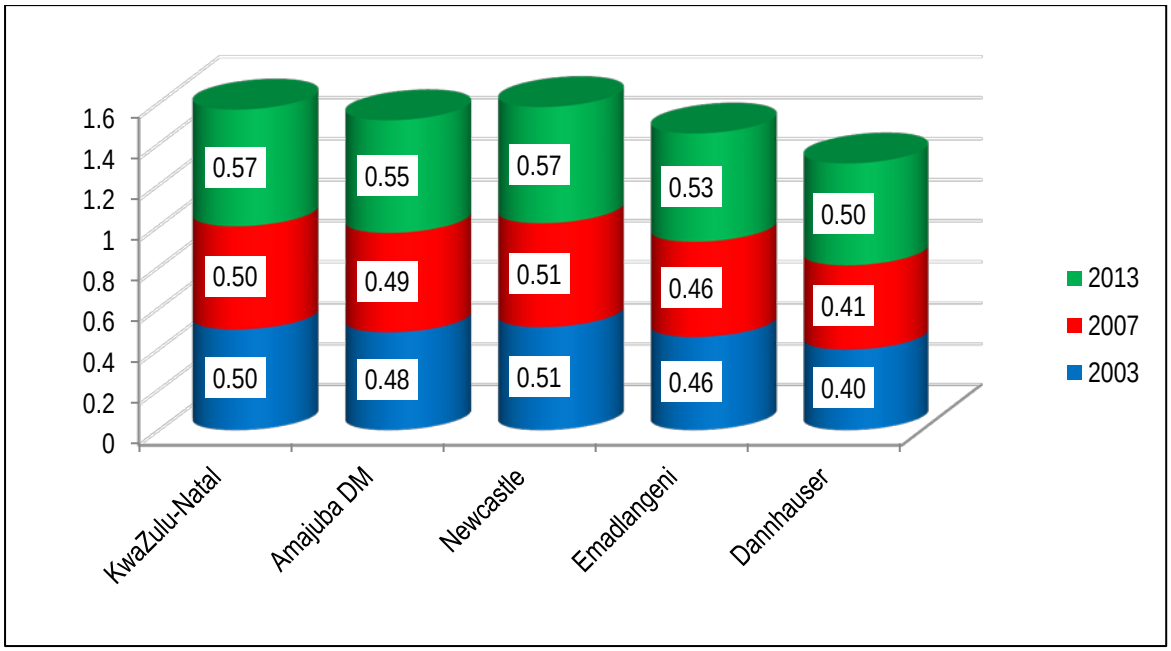
Grade 10 / Std 8 / Form 3	3 612
Grade 11 / Std 9 / Form 4	3 747
Grade 12 / Std 10 / Form 5	18 227
NTC I / N1 / NIC / V Level 2	140
NTC II / N2 / NIC / V Level 3	162
NTC III / N3 / NIC / V Level 4	315
N4 / NTC 4	312
N5 / NTC 5	221
N6 / NTC 6	374
Certificate with less than Grade 12 / Std 10	149
Diploma with less than Grade 12 / Std 10	256
Certificate with Grade 12 / Std 10	1 936
Diploma with Grade 12 / Std 10	3 104
Higher Diploma	2 396
Post Higher Diploma Masters; Doctoral Diploma	397
Bachelors Degree	1 696
Bachelors Degree and Post Graduate Diploma	563
Honours Degree	753
Higher Degree Masters / PhD	338
Other	205
No Schooling	1 153
Unspecified	0
Not Applicable	0

Source: Stats SA – 2011 Census Data.

3.2.6. HUMAN DEVELOPMENT INDEX.

The Human Development Index (HDI) for Newcastle has improved significantly since 1996 (refer to table 12). This is symbolised by the net decrease in representation of people living in poverty from 45% in 1996 and 2001 down to 39% in 2007. This is, however, below the provincial average of 33% in urban areas. Most of the poverty-stricken households of Newcastle are located in the East as well as within the areas that under Traditional Authority. The urbanized population is generally better off than the rural communities with regards to the affordability levels. The rural communities' level of access to basic service is significantly low hence resulting in major challenges. The provision of sustainable basic and essential services to these communities has proven to be one of the greatest challenges of the Newcastle Municipality, and innovative service delivery options are encouraged.

Figure 12: Human Development Index.

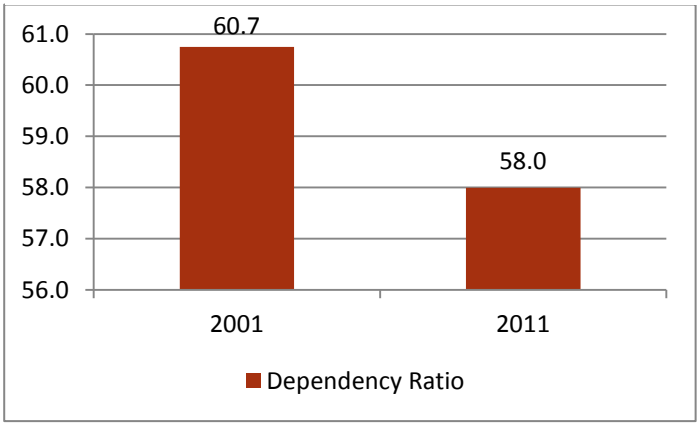


Source: Global Insight.

3.2.7. DEPENDANCY RATIO.

The dependency ratio indicates the number of young people (under 16years) and older people (above 64years) who depend on people of working age (16 – 64 years) for the livelihoods. As indicated on Figure 9, the dependency ratio in Newcastle has declined from 60.7% in 2001 down to 58% in 2011.

Figure 13: Dependency Ratio [Per 100 {15 - 64)].



3.2.8. POVERTY LEVELS.

The table below compares the number of people living in abject poverty within Newcastle Municipality with that of KwaZulu-Natal, Amajuba District and other local municipalities within the district. Newcastle Municipality has the least (44.4%) number of people living in poverty within Amajuba District which has an average of 50.9%. The provincial average is 45.7%. 72.1% of the population in Dannhauser Municipality is living under poverty.

Table 8: People Living in Poverty.

	2002		2006		2012	
Districts	People living in poverty	Percentage of people living in poverty	People living in poverty	Percentage of people living in poverty	People living in poverty	Percentage of people living in poverty
KwaZulu-Natal	5 586 644	58.1%	5 224 176	52.8%	4 729 241	45.7%
Amajuba	301 878	64.4%	287 427	59.4%	256 987	50.9%
Newcastle	**170 620**	**56.0%**	**162 113**	**51.0%**	**148 150**	**44.4%**
Emadlangeni	43 787	69.1%	43 273	64.6%	34 941	51.3%
Dannhauser	87 471	86.8%	82 041	82.6%	73 896	72.1%

Source: Global Insight.

3.3. SPATIAL ANALYSIS.

Newcastle Municipality's boundaries were delineated in terms of the Municipal Demarcation Act (Act No. 27 of 1998) taking into account a number of factors including physical features of the area, population movement patterns, economic trends, the distances that can be a challenge for participation in meetings of ward committees, and the social organisation of communities. As such, the boundaries are not simply administrative, but also provide a framework for regional economic development and planning. This section provides a broad spatial analysis and should be read together with the Newcastle Municipality's Spatial Development Framework.

3.3.1. DISTRICT CONTEXT.

Newcastle is by far, the largest economic hub within the administrative boundaries of Amajuba District. It is located on the North-Western side of KwaZulu-Natal province and shares the boarders with the neighbouring provinces of Mpumalanga and Free State. Newcastle Local Municipality has a geographical coverage of 1854 km^2, and it is bounded by the Utrecht Municipality to the East, and Dannhauser Municipality towards the South, Free State Province (Thabo Mofutsanyane District Municipality) to the West and Mpumalanga Province (Gert Sibande District Municipality) to the North. The city of Newcastle is a service centre serving the region, mainly rural hinterlands, with the CBD being the primary economic and social node for the city. Newcastle also serves a number of small settlements which surround it.

Newcastle is well placed to benefit from regional economic growth given its strategic location at the nexus of major tourism, logistics, farming and industrial routes, and as the seat of government in KwaZulu-Natal. Newcastle is centrally located in the northern region of KZN, halfway between Johannesburg and the harbours of Durban and Richards Bay, hence contributing to the export of manufactured goods, as well as for distribution to the Gauteng market. Newcastle is also provided with good access infrastructure to these areas, which includes road and rail networks. It is situated on the national rail route between the Durban Container Terminal and City Deep in Gauteng, and has within its confines, major rail exchange yards, supporting railway stations and extensive goods conversion/warehousing facilities. Previous reviews of the local economy have identified manufacturing, tourism and agriculture as the three main economic sectors in the area. In Newcastle, there are 34 sectors that contribute to the GVA-R, of which metal products, machinery and household appliances products is the largest contributor, followed by the education and land, and the land and transportation sector. The GVA-R, of Newcastle has experienced a significant increase over the last 12 years.

3.3.2. REGIONAL AND LOCAL ROAD NETWORK.

Movement within Newcastle can be divided into two categories, that is:-

- Movement that traverses the Municipal Area not having any settlement within the Municipal Area as a destination; and
- Movement that takes place between destinations or settlements within the Municipal Area.

With regards to the former, movements along the national road apply. For example, the N11 is used as the connecting route between Northern KwaZulu-Natal and Mpumalanga.

3.3.2.1. LOCAL ACCESS AND MOVEMENT.

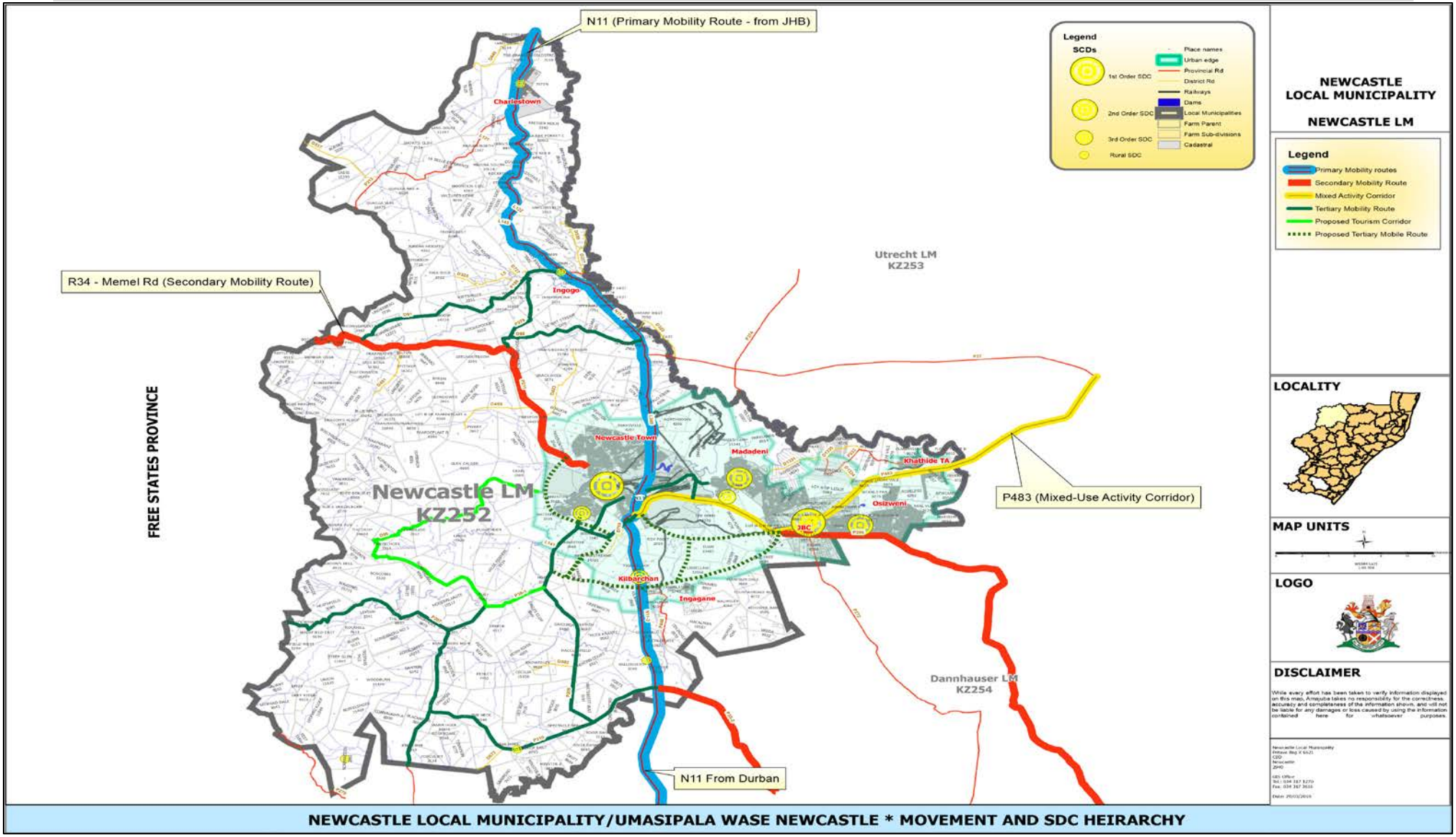
With regards to internal movement, a number of prominent routes can be identified. Firstly, there is a strong movement of people between Madadeni and Osizweni, the latter being the core area of the Municipal Area. Secondly, a strong movement axis exists between Madadeni and Osizweni along the MR483. Thirdly, a movement axis is found between the Newcastle CBD on to other smaller settlements, such as Memel to the West and Ingogo, Charlestown and Volksrust to the North.

3.3.2.2. REGIONAL ACCESS AND MOVEMENT.

Newcastle Municipality enjoys relatively good access at a national and regional scale. North-South linkages are facilitated by the N11 and East-West linkages by the P483 and R34. The N11 is a primary movement and mobility corridor. It runs in a North-South direction from the N2 in Ermelo to the N3 in Ladysmith through Newcastle Town thus making the area highly accessible and well connected to the national, provincial and regional road network.

Although the SDF identifies this route as a primary corridor, access to it is governed in terms of the South African National Roads Agency Limited (SANRAL) regulations. This includes limitations imposed on the number and location of direct access points and location of uses, which may be viewed as having potential to interrupt traffic flows.

Secondary corridors include the R34 which runs East from Newcastle to Utrecht and beyond to Vryheid and Richards Bay, and West to Memel and Vrede as well as the R621 linking to Dannhauser. These routes all originate from the CBD. The Madadeni-Osizweni section of the road to Utrecht (MR483) has been identified as a mixed-use corridor and is to be developed with nodes of services and economic opportunities. Regional access routes are subject to the rules and regulations of the Department of Transport.



Map 2: Newcastle Municipality Movement and SDC Hierarchy (Source: NLM Final SDF 2014/15).

3.3.3. SETTLEMENT PATTERN.

The settlement pattern in NLM has largely followed access routes thus forming an economic system with definite interdependencies between and among various elements. However, it has also been highly influenced by the past apartheid planning and segregationist policies. The current settlement pattern reflects a continuum of settlements from a highly urban Newcastle town through to peri-urban settlements in the JBC and extensive commercial farmlands with small isolated farm-dweller settlements.

3.3.3.1. URBAN AREAS.

The urban component of the NLM comprises of three distinct sections, namely:-

- Newcastle West;
- A central Industrial Area; and
- Madadeni and Osizweni to the East.

An urban edge has been determined around this entire complex and it is proposed that all future urban development takes place within these confines thus to integrate, densify and diversify it as well as to limit the loss of high yield agricultural land.

3.3.3.1.1. NEWCASTLE WEST.

The CBD is located in Newcastle West on the Southern side of the confluence of the Ncandu and Jordan Rivers. Newcastle West is predominantly residential with the Northern section being the most affluent. Ribbon development runs South-Eastwards from the CBD along the R34 and includes a new shopping centre, restaurants, garage and car showroom, hotels and lodges, amongst other things. The Northern portion of Newcastle West also accommodates the show-grounds, Monte Vista Casino and Conference Centre, a golf course and a technical college.

Immediately South of the CBD are the original residential areas of the town also laid out in the same gridiron-street pattern and home to the Newcastle Private Hospital and Newcastle Provincial Hospital. The police station and a number of home offices which have spread outwards from the CBD are also found South of the CBD. South-West of the CBD are further residential suburbs.

Newcastle CBD is currently going through a process of spatial transformation. This involves three main processes, namely:-

- Decentralisation of commercial and office space;
- Redevelopment; and
- Expansion of the town area.

Decentralisation of commercial and office space occurs in the form of nodular development at both Eastern and Western entrances/gateways into Newcastle CBD. Newcastle West development includes a number of service industries, a community commercial centre, hotels and a number of associated developments. The area is earmarked for further commercial development.

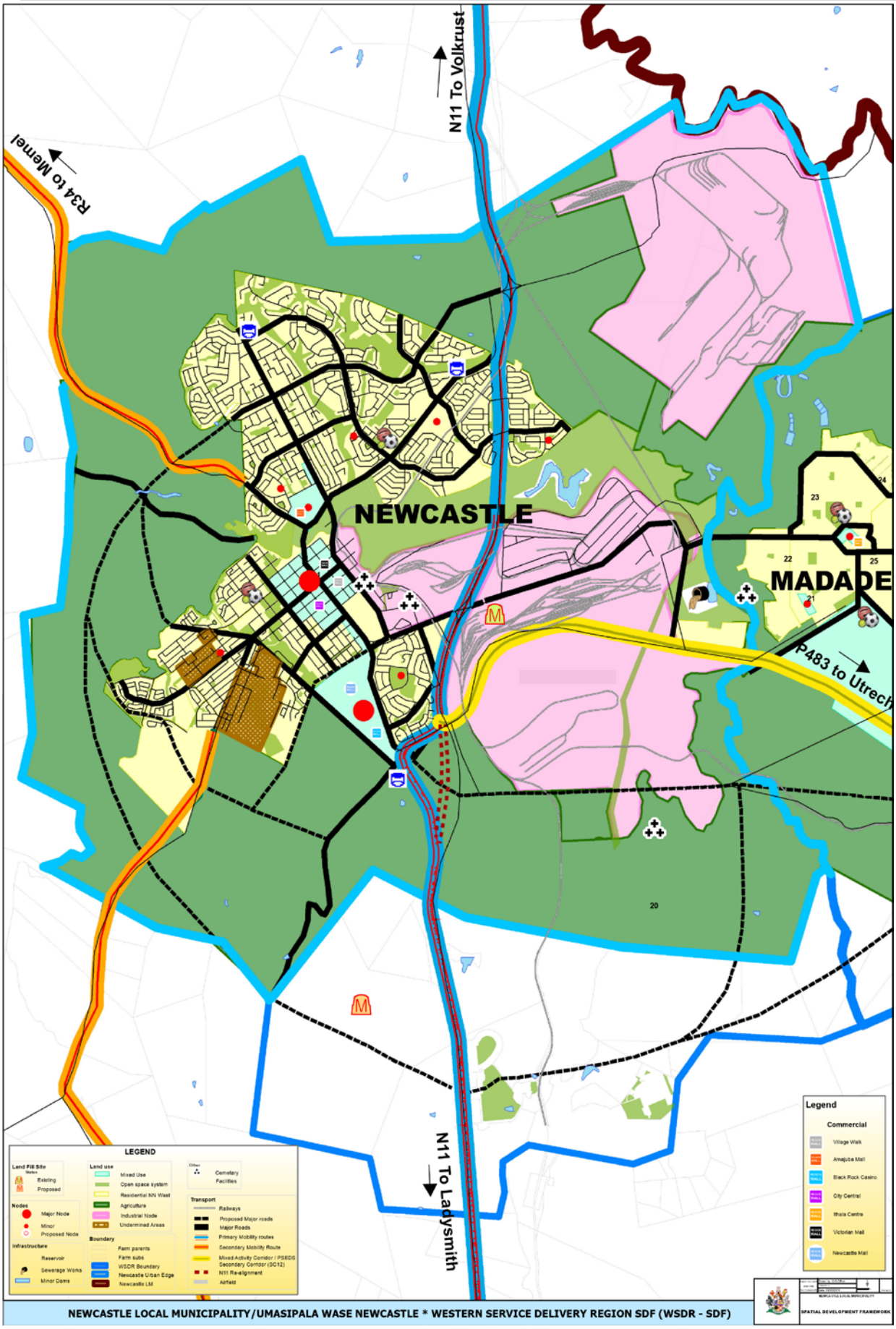
Rights were granted for the development of a regional shopping centre next to the new Casino and the Newcastle Mall has since taken root and is in operation. A new office complex has also been developed in the area while infrastructure has been laid for mixed land use development. Other developments expected in this node in the near future include motor-showrooms, restaurants, etc. Redevelopment on the other hand, involves the refurbishment of buildings vacant or under-utilised, because of economic downturn and relocation of offices to the new office node. This process also includes the transformation of office use, particularly professional offices, into residential areas that are adjacent to the CBD. A number of dwelling units have been granted office use rights or are being used as offices.

Newcastle Municipality has accordingly developed strategic responses to these trends. These include the Newcastle West Precinct Plan, the CBD Development Plan and the Newcastle South Spatial Development Plan (SDP). The latter provides for a range of residential land uses, including mixed land use and commercial nodes. The net effect of these plans is the extension of the town's built-up area, shifting of the urban edge and opening of new interface zones. In view of its strategic location in Northern KwaZulu-Natal, Newcastle is likely to remain a regional service centre unchallenged by other nearby towns in the foreseeable future. Its market threshold is relatively secure, but its economic and social vitality remains dependent on the state of its regional hinterland. The CBD itself has remained relatively stable.

3.3.3.1.2. CENTRAL INDUSTRIAL AREA.

East of the CBD lies large industrial areas, the N11 and Iscor facility, as well as an airfield and landfill site. It is also the location of Amcor Dam and Recreational facility. The area occupies approximately 516ha of land zoned for industrial use, of which only a small portion is

developed. While the area accounts for a significant amount of employment opportunities in the NLM, it historically developed as a buffer strip between the former white only areas in the Newcastle West and the former black only townships of Madadeni and Osizweni.



Map 3: Newcastle Municipality Western Service Delivery Region (Source: NLM Final SDF 2014/15).

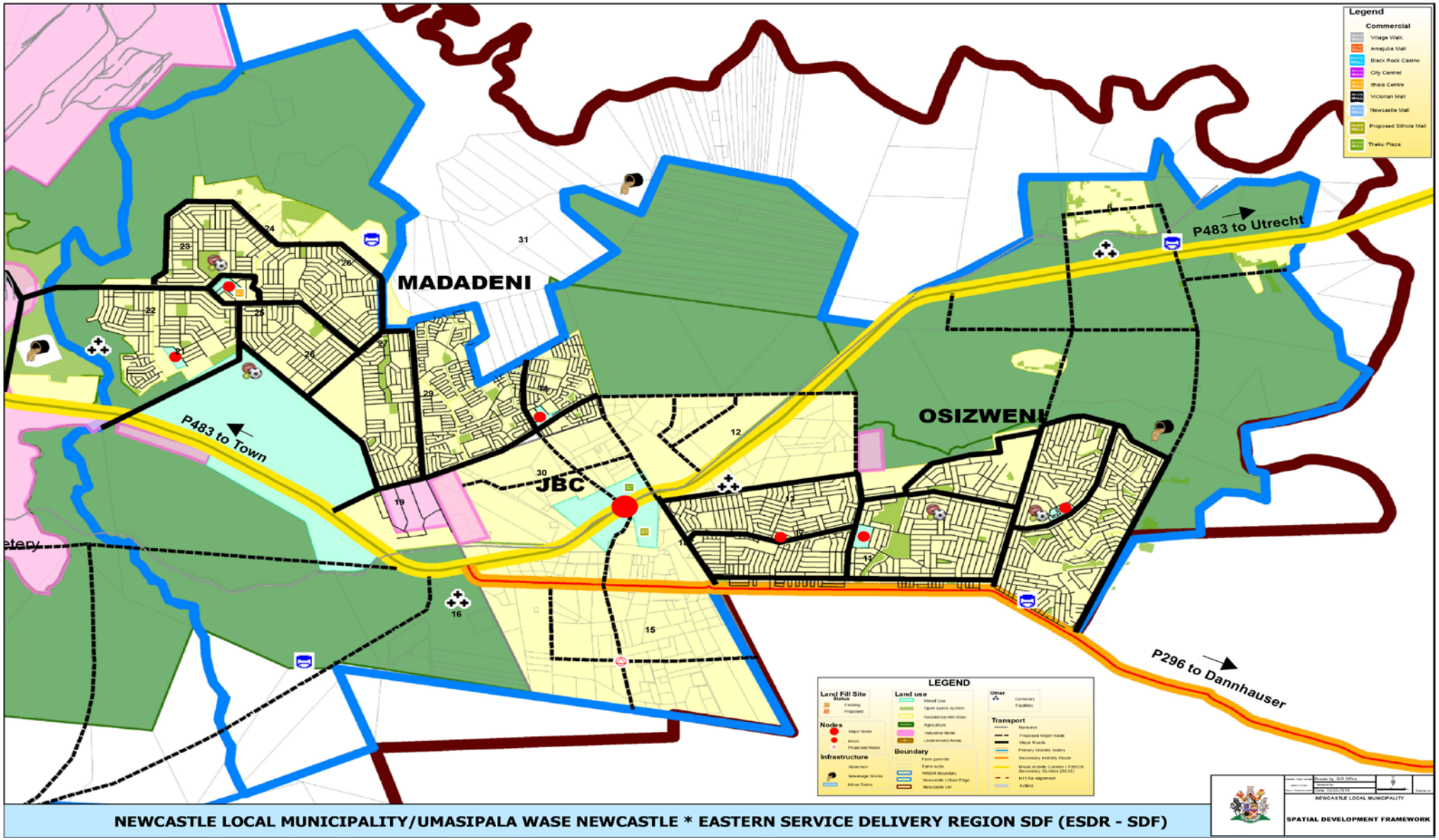
The Western Service Delivery Region (WSDR) covers the areas of Newcastle West within the Urban Edge, these would be the Newcastle Central Business District (CBD), the Newcastle West suburbs and the airport industrial area. These areas are covered under the Newcastle scheme. The zooming into the WSDR will give more detailed land use guidelines and highlight priority investment and development areas and will also act as a guide to decision-makers and investors. A number of intervention areas for the WSDR have been identified where the intention is that the entire Service Delivery Region be covered in the long term by the municipal hierarchy of plans. Intervention areas for the WSDR include:-

- Newcastle West Intervention Area;
- Newcastle South Intervention Area;
- Newcastle Industrial Intervention Area; and
- KIB Intervention Area.

3.3.3.1.3. MBO COMPLEX.

MBO is located along P483 and comprises of the townships of Madadeni and Osizweni, and the JBC area. Madadeni and Osizweni were laid out in the 1970s on the basis of a Master Plan developed in 1975, and reviewed in June 1985. The plan was based on the dominant planning doctrine and highly influenced by the political regime. It gave rise to a compact linear urban form with a rectilinear road network based on 3 to 4 km grid spacing of major arterials. The JBC area, which joins the Madadeni and Osizweni areas, has a more peri-urban character, consisting mainly of informal settlements. This area developed as a result of “shack farming” thus transforming the area from agriculture into an urban slum, with no formal planning. This has given rise to a complex set of land legal issues including title adjustment, beneficial occupation rights, tenancy and freehold ownership rights.

The MBO complex is characterised by a poor condition of services and a general lack of amenity and pleasant appearance. This robs the area of private sector investment and perpetuates dependency on the Newcastle city centre. Urban renewal programmes being initiated in the MBO complex will result in the upgrade of the public realm and improve the quality of life of the previously disadvantaged. It will also promote both public and private sector investment in the area. Access to public facilities and a safe environment are the other important aspects of quality of life that should be addressed in these areas.



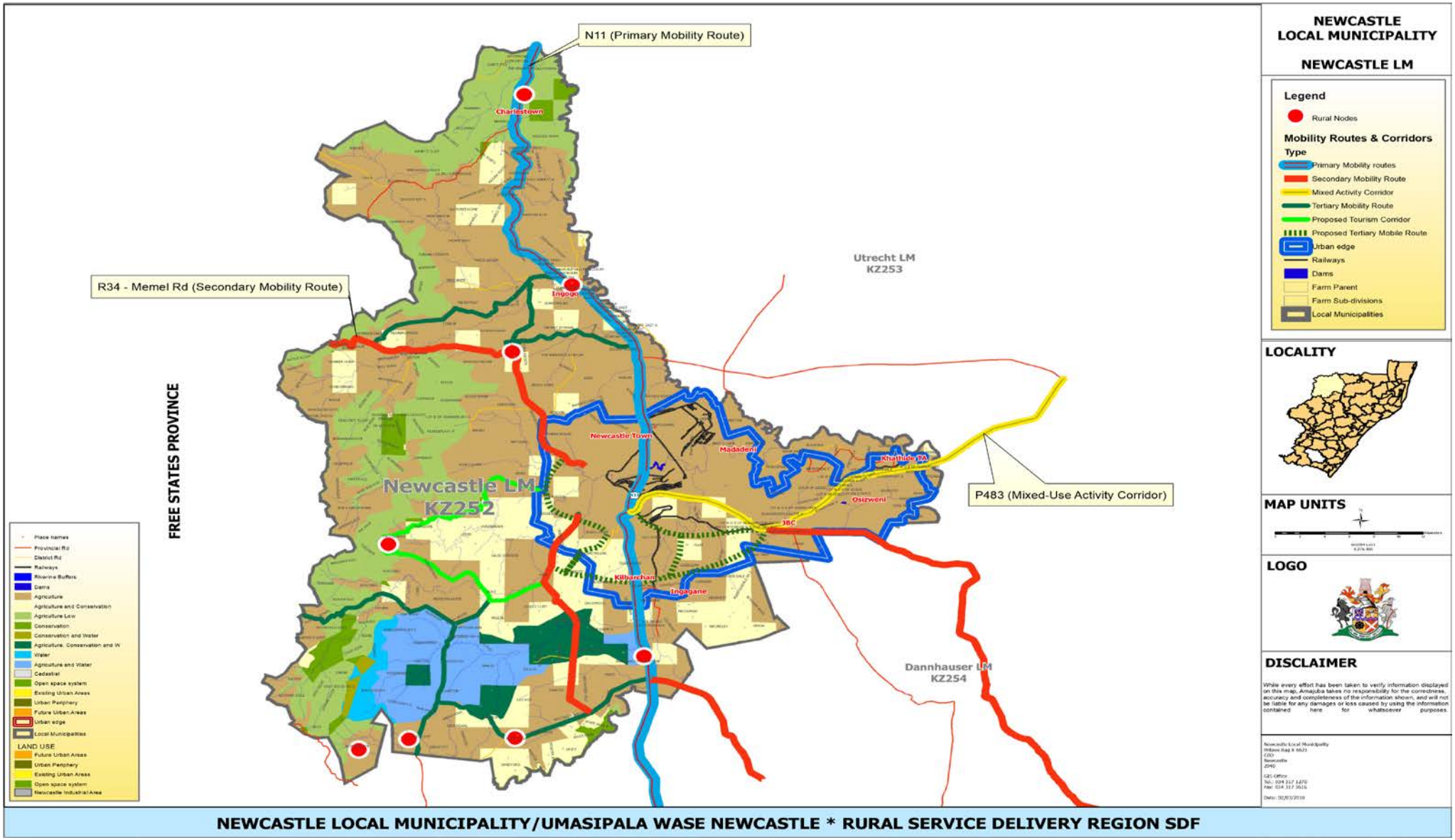
Map 4: Newcastle Municipality Eastern Service Delivery Region (Source: NLM Final SDF 2014/15).

3.3.3.2. RURAL SETTLEMENTS.

The rural component of the municipality is dominated by expansive commercial farmland, which is used mainly for livestock farming and crop production. Some of the farms are affected by the land reform program, particularly the land restitution and labour tenancy program that may lead to the creation of new settlements and erosion of agricultural land. However, there are few established settlements on commercial farmlands. These settlements include smaller rural settlements such as Charlestown and Ingogo. Charlestown provides basic services and functions to the surrounding agricultural areas and is identified as a tertiary node in the SDF, together with Lennoxton. Ingogo, on the other hand, is a purely rural settlement based on its low population numbers, and is classified as a rural node, as is Leokop.

Other rural settlements are located within the Ubuhlebonzinyathi Community Authority area and include the settlements that generally fall within the traditional leadership of AmaHlubi in the Drycut area and Khathide along the northern boundary of the NLM.

WARD 1	WARD 6	WARD 7
- Botha's Pass. - Brinkshoop. - Charlestown. - Ngogo. - Majuba Forest. - Normandien. - Wykom.	- Claremont. - Jakkalspan. - Jobstown. - Masondale.	- Manzana. - Mndozo.
WARD 12	**WARD 15**	**WARD 16**
- Jonhstown, divided into various sections:- o Johnstown-Bhareni. o Johnstown-Dindela. o Johnstown-Leslie. o Johnstwon-Phesheya kodonga.	- Blaauwboschelaagte. - Cavan. - Mahalbhomi.	- Blaauwboschlaagte. - Dry Cut.
WARD 18	**WARD 31**	
- Blaauwboschlaagte.	- Riversmeet. - Suspense. - Soul City.	



Map 5: Newcastle Municipality Rural Service Delivery Region (Source: NLM Final SDF 2014/15).

3.3.3.3. FORMER MINING AREAS.

A number of settlements are also located in the south-eastern portion of NLM. These settlements are scattered throughout the area and are mainly as a result of mining activity, which is concentrated along a mining belt that runs from the centre of the municipal area towards the south east. The mines have stimulated the development of numerous smaller settlements, such as Kilbarchan, Ingagane and Ballengeich. It has however impacted negatively on the spatial structure of the Municipal area by preventing development of an integrated urban structure. Higher standards of housing and access to infrastructure are found in these formal settlements. The settlement pattern can mainly be ascribed to the mining activities and the Ingagane power station in the area, which caused discrete pockets of settlements. These are mostly around or close to mining activities. Some of the mining activities have however been downscaled or closed down.

3.3.4. IMPACT OF POST-APARTHEID SPATIAL PLANNING.

Past apartheid policies had a profound impact on the structure and functionality of the Newcastle Municipality. The policies fragmented communities, marginalised their economic activities and undermined their participation in the economy. They located people in areas with poor access to urban services and facilities, and effectively entrenched the philosophy of unequal development. Spatial fragmentation was implemented to effectively separate the urban complex of Newcastle-West and the former dormitory suburbs of Madadeni and Osizweni. These two areas are situated at least between 15km and 35km from Newcastle central business district (CBD) in line with apartheid spatial engineering. Spatial fragmentation, referring to separate blobs of development with no linkages, has the potential to undermine the role of Newcastle in its regional context and impact negatively on its ability to perform its functions effectively and efficiently.

3.3.5. LAND USE MANAGEMENT.

In terms of the Municipal Systems Act (Act No. 32 of 2000), a Land Use Management System is a legal requirement that Newcastle Municipality is obliged to meet. In response, Newcastle municipality has developed a wall-to-wall scheme as part of a comprehensive review of the existing Newcastle Town Planning Scheme, and a process towards the introduction of land use controls in areas hitherto not covered by the scheme. However, this document has not been implemented as due process is being followed to amend the Newcastle Town Planning Scheme as provided for in the KwaZulu Natal Planning and Development Act, 2008 (Act No. 6 of 2008). The Newcastle municipality has taken an

incremental approach toward the implementation of the town-planning scheme in all areas, except the agricultural land. At present, Newcastle town is the only area that is covered by a Town Planning Scheme within the municipality.

3.3.6. SPATIAL TRENDS AND PATTERNS.

The urban part of Newcastle Local Municipality is characterized by a highly inefficient and fractured spatial pattern inherited from the apartheid past. Historically, the town of Newcastle was divided along racial (now class lines), with the poorer communities situated away from job and economic opportunities, and excluded from the social fabric of the town. The main residential areas for the poor – Madadeni, Osizweni and JBC area located approximately 20 to 35km from the CBD.

The following are some of the key structural elements of the MBO complex:-

- Explosive low density sprawls in the form of informal and traditional settlements that have developed within the MBO area. Some of this occurs on privately owned land in the JBC complex. The direction of this development is not controlled, but accommodates people who either cannot afford formal housing in legally designated areas or who seek location closer to the urban opportunities while wanting to maintain a rural lifestyle.1975.
- Loose character of the urban fabric epitomised by the single storey house on a plot type of development. Nearby housing projects have reproduced the same type of settlements albeit with lower level of services. High space standards applied in the provision of public facilities also contribute to the loose character of the urban fabric.
- Urban rural interface as the outer boundaries of the area adjoins onto agricultural land and rural settlements located on Ingonyama Trust land.
- Inwardly oriented discreet pockets of mono-functional developments operating in isolation. Creating separation of different land uses, particularly between residential, commercial and industrial areas.

The net effect of this situation is an inefficient disintegrated spatial system, characterised by an enormous amount of movement between the Node and surrounding areas and especially between the Newcastle CBD and the JBC complex on a daily basis.

3.3.7. LAND REFORM PROGRAMME AND RURAL DEVELOPMENT.

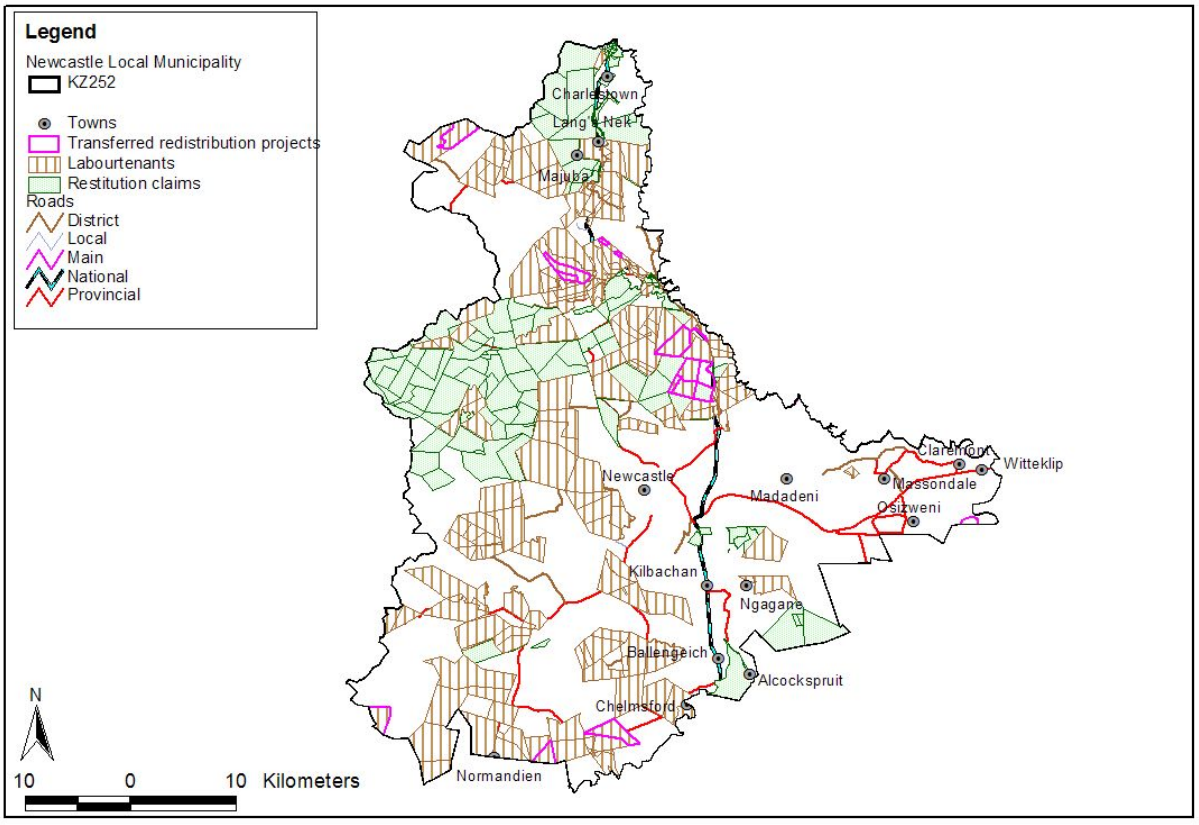
The Newcastle Area has long been grappling with the land issues and has been involved in the implementation of the land reform since its inception. Land issues in the area cover both urban and rural areas, and cuts across the various elements of the land reform programme. Despite this, the area still lacks a common and coordinated vision for land and agrarian reform. Attempts by the Department of Rural Development and Land Reform, in association with Amajuba District to develop an Area Based Plan dealing comprehensively with the land issues in the area has not made any significant impact in this regard.

3.3.7.1. STATUS OF LAND REFOFORM PROGRAMME.

According to the Amajuba District Municipality Area Based Plan, the Department of Rural Development and Land Reform is implementing the following projects within Newcastle Municipality:-

- ***Land Redistribution (LRAD)***: There are 15 completed land restitution projects where 5,097ha of land has been transferred to 283 households (1456 individuals).
- ***Land Restitution***: There are 130 claims on farms in the Newcastle area, totalling 53,000ha. Of this, 34 claims have been settled, making up 12,700ha.

Map 6: Land Reform Projects.



- ***Tenure Security (Labour Tenants)***: There are tenure security claims on 99 farms, making up a total area of 973ha.

The Amajuba District Municipality Area Based Plan further notes that 73,212ha of land has been transferred under the land reform programme. An application of the 30% target suggests that 109,447ha is required in order to bring the programme in Newcastle in line with the national targets.

As indicated on the Map (figure 5) above, the programme will have significant economic and spatial impact in the area. Strategies should be devised to integrate the programme into the service delivery and economic development programme of the municipality. Careful management and support to beneficiaries is necessary to sustain the production potential of land in the area.

3.3.7.2. LAND TENURE UPGRADING.

The need for land tenure upgrading in the NLM affects four types of communities, namely:-

- People who hold Deeds of Grant to land;
- People who require their title deeds to be adjusted;
- Tenants in the JBC area; and
- Farm dwellers.

3.3.7.2.1. MADADENI AND OSIZWENI TOWNSHIPS.

The title upgrading process undertaken as part of the Extended Discount Benefit Scheme involving areas where people held their properties through Deeds of Grant (eg. Madadeni and Osizweni Townships) has virtually been completed.

3.3.7.2.2. JBC AND CHARLESTOWN.

Similarly, substantial progress has been made with the title adjustment process involving land owners in the JBC and Charlestown areas. The completion of this exercise is critical to unlocking privately owned land in these areas for the development of sustainable human settlements. In fact, a comprehensive scheme which involved the provincial Department of Human Settlements and the national Department of Rural Development and Land Reform should be initiated as part of the Urban Renewal Programme to deal with the land issues in the JBC and Charlestown areas. This includes people who occupy the area as tenants whose land tenure remains insecure.

3.3.7.2.3. UBUHLEBOMZINYATHI.

Communities occupying the area that falls under the jurisdiction of Ubuhlebomzinyathi Community Authority should also be considered for land tenure upgrading. These include Khathide, Dicks, Mndozo, etc. At present, these communities enjoy beneficial occupation rights protected in terms of the Interim Protection of Informal Land Rights (IPILRA). These areas require careful management as they are fast deteriorating into urban slums. Densities are increasing and accounts for some of the huge urban service backlogs in the NLM.

3.3.7.2.4. AMAHLUBI SETTLEMENT.

The land occupied by AmaHlubi Community in the vicinity of Drycut Cemetery should be investigated as it may fall outside the proclaimed area of Ubuhlebomzinyathi Community Authority. The land has been subject of a court case between Ingonyama Trust and AmaHlubi Traditional Council. Other areas that require attention in terms of tenure security are the settlements located to the north of the Osizweni Township and the JBC area.

3.3.7.3. LABOUR TENANT CLAIMS.

As indicated on the Map above, a number of labour tenant claims were registered against various farms within the Newcastle Municipality Area. The process towards the resolution of these claims has been frustratingly slow. It is critically important for the municipality to follow this process closely as it may result in the establishment of small isolated settlements. A rural development strategy is required to guide this process and ensure that settlements do not encroach onto agricultural land in an uncontrolled manner.

3.3.7.4. LAND RESTITUTION.

A number of land restitution claims were lodged against various properties in the Newcastle Area. The majority of these are large in size and ranges with complexities. Charlestown, which involves dairy farming, timber plantations, crop production and livestock farming, has been resolved successfully with the community obtaining access to more than 10 000ha of good agricultural land. The challenge is now to develop the farms, sustain productivity and create employment opportunities. The process towards the resolution of the other land claims such as Ingogo is progressing slowly. In view of the size of these claims and potential for agricultural development, it is critically important for Newcastle Municipality to ensure that they are integrated into the economic and service delivery programmes of the municipality.

3.3.7.5. IMPACT OF THE LAND REFORM PROGRAMME.

As indicated on figure 5 above, the land reform programme has a significant spatial impact in the area. Other impacts are as follows:-

- **The loss of productive agricultural land to residential development**, resulting in reduced contributions by agriculture to the local economy and loss of job creation opportunities.
- **Land reform resulting on the loss of productive agricultural land**. If operations on productive land are unsustainable, this will "virtually destroy the agricultural sector, result in massive unemployment and poverty and a loss of food security."
- **Provision of adequate water supplies**. An adequate and sustainable supply of water is critical to the long term development of agriculture. Threats includes climate change, invasive alien plants and pollution.

3.3.7.6. SWOT ANALYSIS.

STRENGHTS	WEAKNESSES
▪ Newcastle is a city that is resilient and adaptive. ▪ It is organized around mobility and development corridors with a complete transportation network (road, rail, and air). ▪ It is anchored by its natural resources which make it unique and desirable with good potential agricultural land. ▪ The N11 route bisects the Eastern and Western halves of the municipal urban area. The road is also used as an alternative route from Durban to Gauteng. ▪ It is the anchor city within the Northern Natal region and 2nd order node in KZN. ▪ It is located on the boundaries of Free State and Mpumalanga provinces which allow for capital to be spent in Newcastle Municipal area.	▪ Higher densities are found close to established nodes. ▪ Urban sprawl leads to Infrastructure backlogs and new informal settlements mushrooming. ▪ A fragmented spatial structure with limited future spatial growth options which lead to shortage of residential land. ▪ Industrial sector stagnated with very few new industrial developments. ▪ Poor management of open spaces and large tracks of undermined areas that cannot be utilized within the built-up areas. ▪ Poor accessibility due to mobility function of corridors being compromised and undefined, road network towards MBO areas as well, while the railway lines and airport has been underutilized.

OPPORTUNITIES	THREATS
▪ Clustering of social and community facilities around development nodes and corridors including Service Delivery Centres which in turn contribute to land use and transportation integration. ▪ Tourism is growing and drawing tourist investment to the town. ▪ Mining, a growing demand on resources such as coal. ▪ The road infrastructure, railway lines and airport which provide connectivity. ▪ Informal sector can become a long term economic reality while private investment is also on the increase. ▪ Open spaces with densification potential	▪ Private investment patterns remain in nodes of Newcastle west and a general decline in investment. ▪ Natural Environment is experiencing a lack of environmental assessment. ▪ Urbanisation made it difficult to formalize settlements which are time consuming. ▪ Lack of personnel and resources, issue of unregistered planners. ▪ Unplanned Informal Settlements and developments creeping onto natural resources and neighbouring municipalities. ▪ Urban decay in major nodes.

3.3.8. NATURAL ENVIRONMENT.

3.3.8.1. TERRAIN.

The terrain of NLM is relatively flat even though the area is characterised by some mountainous terrain running from the North along the Western boundary. Elevation is the lowest in the Eastern portion of the municipality, with scattered small hills and rolling landscapes in the centre. Elevations above sea level range from 1160.04m above sea level in the flat terrain in the east to 2228.53m above sea level in the mountainous terrain.

The most concentrated urban development and industry are located on relatively flat terrain. This generally refers to the urban complex of Newcastle town and MBO complex and the industrial area located in between. The elevated relief towards the West refers to the Drakensburg range and the Amajuba Mountain to the North.

3.3.8.2. GEOLOGY.

The subsurface geology has a great influence on the terrain of Newcastle including the soil and vegetation cover which are essential to the conditions of development. It is also the source of minerals that form the characteristics of the area. The geological structure if NLM features four kinds of rock formations which include the following:-

- **Carboniferous age sandstone of the Vryheid Formation –** This is basically the oldest geological formation present in NLM and is mostly prevalent in the Newcastle East Area.
- **Jurrasic Age Dolerite –** The youngest geological formation present in the area and mostly prevalent in the Newcastle West Area.
- Permian age mudstone and sandstone of the Emakwezini Formation – Which occurs more towards the Newcastle West Boundary.
- **Permian/carboniferous age shale of the Volkrust Formation –** Pockets of this formation occurs within the Newcastle West Area and most of the surrounding areas of Charlestown.

Furthermore, the mineral potential of NLM is also closely related to the geological systems of the area. The minerals within the area contribute to the economic value of Newcastle. The Klip River coal field, the most economically important of the KwaZulu-Natal coal fields occurs North-South along the N11 and more towards the Newcastle East Area. In simple terms, Newcastle lies North of the coal fields and there is potential for the exploitation of such coal resources. The following entails the minerals resources that occur in the area:-

- **Torbonite –** Prevalence of this form of coal is found immediately West of Newcastle.
- **Iron Oxide (FeO) –** This is the mostly illegally exploited form of coal and it is concentrated within the MBO area. Due to such, there remains limited potential for attracting investments as there are minimal reserves left.
- **Bauxite (Al) –** Four bauxite deposits occur to the West of N11 and South of the Newcastle CBD. A South African Geological Survey concluded that exploitation was unlikely due to the sites being too widely located hence too expensive to process efficiently.
- **Aggregate –** There is abundance of dolerite and sandstone deposits in the area which thus provides ideal sources of aggregate for construction and other purposes.
- **Sand –** Sand is mostly found along river courses due to the disintegration of the parent rock. Newcastle is endowed with adequate quaternary deposits along streams and river courses (i.e. the Buffalo River and the Ngagane River) and these can be mined to use for building purposes.
- **Brick Clay –** The shales of the Vryheid Formation provide excellent raw material for high quality clay bricks. Such soft rock deposits occur at or near the surface thus making them much easier to mine through open cast methods.

3.3.8.3. CATCHMENTS.

Newcastle is located in the catchment of the Ngagane River with Ncandu River being one of the major tributaries. The Ngagane River flows into the Buffalo River which is one of the major rivers in the Thukela Water Management Area (TWMA). The Thukela basin has strategic water importance which thus makes it a significant in terms of water supply.

Five main catchments areas form part of NLM. This includes the larger Buffalo River catchment, which ultimately forms part of the Tugela River system. These include:-

- The Ngagane River where it meets the Ncandu River (Ngagane Catchment);
- The Ncandu River where it meets the Ngagane River (Ncandu Catchment);
- The Ngagane River where it meets the Buffalo River (Additional Ngagane Catchment, which includes the upstream Ncandu and Ngagane River Catchments);
- The Buffalo River at its confluence with the Ngagane River (Buffalo Catchment); and
- The Buffalo River to where it intersects with the Newcastle LM boundary (Additional Buffalo Catchment, which includes the upstream Ngagane and Ncandu River Catchments).

Two significant dams were identified within the study area, namely that of the Chelmsford Dam, also known as the Ntshingwayo Dam, located to the South of Newcastle within the Ngagane River catchment, and the Zaaihoek Dam located to the North-East of Newcastle within the Buffalo River catchment. In addition to this, two significant wetland systems were identified, namely the Wakkerstroom Wetland located just outside Wakkerstroom and the Boshoffsvlei Wetland located to the North-East of Newcastle Town. It should be noted that legislation dictates (as per the National Water Act No. 36 of 1998) that wetland areas are protected and therefore development within 30 metres of the wetland is prohibited.

The total flow and Mean Annual Runoff (MAR) per quaternary catchment located within the study area and above-mentioned catchments is expected to exit the Buffalo River at the South-Eastern boundary of the NLM boundary.

The majority of water abstracted (85%) is used for irrigation. The total area registered for irrigation is equal to 55 124ha within the NLM. The total water abstracted compared to that which is available (as per the MAR) is equal to 10.5%.

3.3.9. WATER QUALITY.

3.3.9.1. SOURCES OF WATER CONTAMINATION.

The land cover indicates that a large expanse of the municipality is natural grassland with isolated thickets, natural forest, agriculture and forestry. Urban settlement is centred

around the town of Newcastle, which is sited across the boundaries of the Buffalo-Ngagane, Buffalo Local Municipality and the Ngagane catchments. The residential land use comprises informal land use as well as well-established medium to low cost housing.

Noxious industry is primarily situated within the Ngagane Catchment and the Additional Buffalo River Catchment where it intersects with the NLM. The industry comprises of ore beneficiation, power stations, steel manufacturing and chemical manufacturing. Mining is largely inactive in the area and isolated in the Ngagane and Buffalo Local Municipality catchments.

The potential contaminants associated with the non-point source land-use in NLM are limited given the extensive natural grassland. The isolated nature of agriculture practises, which could have impacts such as excessive nutrient loading and suspended particles, is not considered to be significant other than in the Buffalo River.
Industrial land use is likely to be the significant impact on water quality in the region. The potential contaminants include:-

- Heavy metals;
- Particulate matter;
- Organic contaminants;
- Soluble salts which translates into low oxygen levels;
- High turbidity;
- Increased levels of tropic sensitivity; and
- Elevated toxicity of water.

Furthermore, the issue of Acid Mine Drainage in the Ballengeigh area deserves the urgent intervention of authorities and a concerted effort involving relevant parties. This is noted as a possible source of both surface and ground water pollution both now and in years to come.
The resultant impact is the applicability of water for agricultural, domestic and ecological use. Increased water treatment costs would also be realised to facilitate potable water.

3.3.9.2. QUALITY OF WATER.

The DWA results within NLM indicate good water quality; however the quality of the river water is impacted upon by poorly performing WWTW or urban run-off with total coliforms and faecal coliforms. The industrial impact is not evident and seems to manifest through

fluctuating levels of chemicals such as Fe, Mn, TDS and sulphate. This assessment of water quality is based on the current water quality data. However, following discussions with DWA and based on the potential contaminant sources, it is suspected that the impact may be more pronounced should additional variables be analysed especially along reaches of the Ngagane River.

The Ngagane River experiences the majority of the industrial impact with several noxious industries located within this catchment. Monitoring data from DWA suggests that an impact is occurring at sampling site 188866 (immediately downstream of Siltech operations). This is evident from TDS values deviating from upstream results and is likely associated with increased sulphate (494mg/l) content of the river from the ash dump or colliery yard in that area. These levels decrease downstream to an average of 235mg/l downstream of Arcelor Mittal Steel. The sulphate and TDS levels increase again following the confluence with the Ncandu River suggesting an impact, from either the Ncandu River, or a point source on the Ngagane River in this area.

3.3.10. GROUNDWATER.

Groundwater quality is generally moderate to poor and often exceeding Class 1 of the Kempster Classification and this renders this resource mostly suitable for short-term use without sophisticated and costly treatment. There are a number of contributing factors to poor water quality, and based on the determinants exceeding Class1, the more probable sources are:-

- Poor or low rates of recharge;
- Mining activities, particularly coal mining;
- Local industry; and
- Farming activities.

Based on first order harvest potential calculations, groundwater has the potential to service the whole of the NLM basic water needs, and thus should be considered a valuable resource. Areas of particular sensitivity entail all the existing groundwater resources in relation to the potential yield they may deliver. Geological structures (faults, dykes and lineaments) that may act as preferential groundwater flow paths, and areas of high potential production and zones of potential recharge are also amongst area of particular sensitivity. Groundwater quality is typically moderate to poor, however, treatment may be

required and costs to purify determinants (calcium, iron, and manganese) requiring treatment are typically manageable.

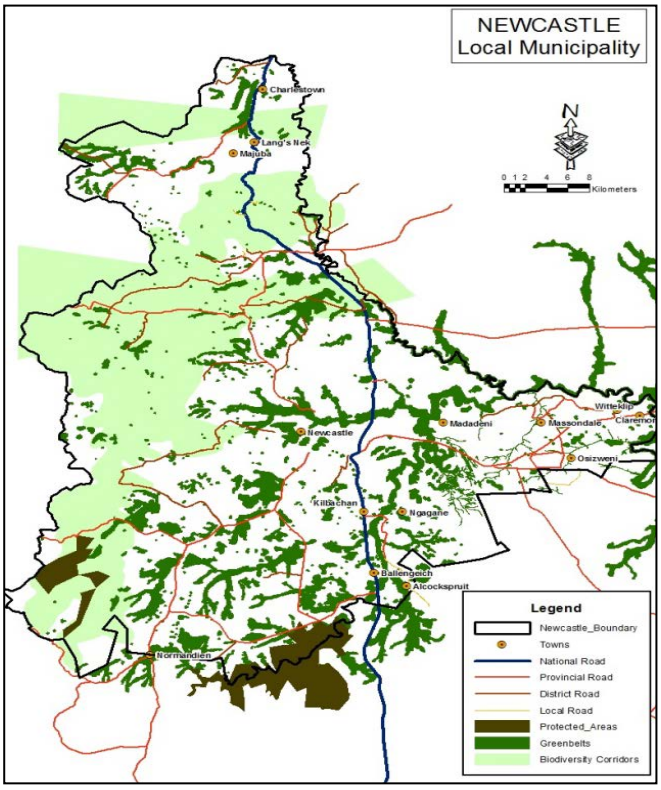
Sources of increased quantities of particular determinants have not been established with any conviction. However, major sources of concern are mining activities, heavy industry, and urban areas which have a high probability of altering pristine groundwater conditions in a significant manner. It is evident that there are instances of very significant groundwater supply potential when located in geo-hydrological favourable locations, and this figure is potentially inflated. Data deficiencies are a concern and meaningful statistical analysis is restricted. A full and comprehensive hydro-census study should be implemented for the whole of the Local Municipality.

3.3.11. BIODIVERSITY ASSESSMENT.

3.3.11.1. STATUS OF VEGETATION.

Transformed land is mostly associated with cultivation, mining, urban and dense rural development, and the spread of alien trees. Although many of the 'natural' areas have been degraded to some extent, these could be classified as untransformed, i.e. the loss of biodiversity was likely to be minimal. In all, approximately 50% of the area could be classified as transformed.

Map 6: Biodiversity Corridor.



Land that has been transformed is likely to have lost a large number of plant species, as well as most of the larger mammals that previously occurred in the area. Conversely the man-made irrigation dams and the wetlands that feed them might still contain a significant number of species, including some of high conservation significance. The wetlands are also likely to be important corridors for dispersal of many water-dependent species. With regards to the terrestrial component, it is highly likely that the transformed land is no longer functional as a corridor.

The most apparent typologies of land cover within Newcastle are as follows:-

- **Grassland** – Most of the Western area in Newcastle is covered by grassland thus representing a larger percentage of the area's natural open space.
- **Commercial Agricultures** – Agricultures is the second largest land cover, dominated by dry-land cropping. The concentration of agricultural use patterns is mostly in the South of Newcastle.
- **Settlements** – The third largest land cover in Newcastle is that of the settlements, both urban and rural, and they occur mostly in the West, Central and Eastern parts of Newcastle. These patterns are mostly associated with high levels of landscape fragmentation and degradation thereof.
- **Plantations** – Commercial timber plantations have changed the landscape in the Western parts of the area and in the area around Hilda in the North of Newcastle.
- **Dense Bush** – This is mostly land cover that includes natural bush and invasive plant species.
- **Mining and Quarries** – Such land cover is arranged in a scattered pattern of mining and quarrying activities.

3.3.11.2. BIODIVERSITY CORRIDORS.

Aerial images were examined for assessing important ecological corridors, which are required for facilitating migration of fauna and flora in the long term. Emphasis was placed on untransformed land that spanned three or more of the Mucina & Rutherford (2006) vegetation types (The assumption in this exercise was that vegetation in good condition would have high floral diversity, thus having the potential to function as corridors and to support high faunal diversity.

While it was evident from the study that a number of areas with high levels of transformation were compromised as functional corridors, there were some contiguous stretches of vegetation that appeared to be viable. These spanned three or more vegetation types and were considered a priority for further investigation.

The only North-South axis that represented a viable corridor was along the Western boundary, but was confined to one vegetation type, namely the Low Escarpment Moist. This area has maintained a relatively untransformed vegetation condition due to the high elevations of between 200 m and 1800 m above sea level, and relatively inaccessible terrain.

The assumption was that East-West orientation of corridors was likely to be more effective, as this would encompass a significant portion of the topographic diversity and resultantly, water catchments and habitat diversity. In the case of both the recommended corridors, altitude ranged from about 2100 metres above sea level in the West to 1500 metres in the East, over a distance of under 15 km.

3.3.11.3. SUITABLE LAND FOR AGRICULTURE.

The agricultural categories listed below entail the distribution of agricultural land within NLM. Such categories are also a representation of the ability of an area to produce food under the application of recommended practices on a sustainable basis:-

- Category A – Irreplaceable Land:-

This category of land is regarded as **high to very high potential agricultural land** hence necessitating its conservation strictly for agricultural use in order to ensure national food security. Within KZN in general, this category of land cover is limited which thus means there is a need for the introduction of efforts directly focused on retaining such land for food production. Land in Category A has no or very few limitations to agricultural production and can support intensive arable cropping systems. Such land also contains "unique agricultural land" which is essentially land that may be used for producing specific high-value crops. This type of land is important for agriculture due to a specific combination of factors such as location, climate and/or soil properties that make it highly suited for a specific crop when managed with specific farming or conservation methods. Most of the area West of Newcastle, specifically along the boundary, is endowed with Category A agricultural land.

- Category B – Threatened Land.

Category B is regarded as **moderate to high potential agricultural land**. It is also of a scarce nature within the wider KZN hence necessitating its conservation. Land within this category has produce sustainably in the long term with few limitations to agricultural production. Concentration of Category B agricultural land is also mostly West of Newcastle.

- Category C – Primary agricultural land.

Such land is regarded as land with **moderate to low agricultural potential**, on which significant interventions will be required to achieve viable and sustainable food production even though agriculture is still the majority land use in the rural landscape. Such land is limited in terms of annual arable land and thus may be used for purposes to support livestock production i.e. grazing land. The conservation of Category C land is of crucial importance in order to ensure the conservation of higher potential agricultural land

categories through acting as a buffer. The concentration of Category C land in NLM is found immediately West of Newcastle's urban edge with grazing being the predominant land use.

- Category D – Secondary agricultural land use.

This form of land is regarded as land with **low agricultural potential** and it requires severe interventions in order to enable sustainable agricultural production such as terracing, contours, high levels of fertility correction etc. There is minimal amounts of such land within Newcastle and it can be found further South of the Madadeni residential township, and upper North towards Amajuba forest.

- Category E – Mixed land use.

Such land is regarded as land with **limited to no potential for agricultural production**. However, such land may be applicable to conservation due to its tourism status depending on its location. Such land in Newcastle is largely concentrated around and/or within the urban edge.

3.3.11.4. AIR QUALITY.

A study has been conducted with purpose of assessing the air quality in order to determine the sensitivity of the airshed, the pollution sources of the area and the sensitive receptors. The 'airshed' is the geographic area or a region within which an air pollution problem is largely contained due to the combined effect of the topography and local atmospheric conditions. According to the Environmental Management Framework for NLM (2015), the following is noted:-

- Newcastle's central business district is situated in the valley and suffers from poor dispersion conditions during the winter months. As a result, the city suffers short-term pollution episodes. Lower lying areas that are affected include commercial, residential and industrial land uses.
- Current air pollution sources of concern:
  - Industrial activities (criteria pollutants and others);
  - Waste facilities (dust);
  - Off-site agriculture (dust, herbicides and pesticides); and
  - Transport routes (criteria pollutants).
- Current air pollution sources of concern:
  - Industrial activities (criteria pollutants and others);
  - Waste facilities (dust);
  - Off-site agriculture (dust, herbicides and pesticides); and
  - Transport routes (criteria pollutants).

The ambient air quality of Newcastle is slowly deteriorating to insignificance and interventions are drastically needed in order to improve the quality of the air. This may also be largely due to the current landfill site which has reached the saturation level. The poor planning measures that accrue to the apartheid government were characterised by the prioritisation of land for industrial development in close proximity to where air quality impacts are likely to be greatest. In simple terms, the proximity of industrial areas to the settlements is alarming. According to the National Framework for Air Quality (2012), in 2007, the air quality rating of Newcastle was classified as potentially poor. This rating basically meant that air quality may be poor at varying instances and therefore rendering the area a priority for support in terms of air quality management.

Based on the Environmental Management Framework for NLM (2015), Newcastle may either be Class 3 Air Quality Area (Alert Area) or a Class 4 Air Quality Area (Transitional Compliant Area). The following is applicable to Class 3 and Class 4 areas respectively:-

- Class 3 Air Quality Area (Alert Area):

Newcastle is an area that is Section 24 compliant whereby there's no harm to health or well-being of the citizens due to the air quality. It is also an area where ambient air quality remains within the standards, but sustained air quality management interventions is required in order to, at least, maintain or improve this situation.

- Class 4 Air Quality (Transitional Compliant Area):

Air Quality is not Section 24 compliant meaning there's possible harm to health and well-being of the citizens of Newcastle. This type of air quality is applicable in areas whereby ambient air quality represents a possible threat to health and well-being and requires immediate and sustained air quality management interventions to, at least, bring there are into compliance with the standards within agreed time frames.

However, improved monitoring measures have been implemented within Newcastle in order to specifically determine the classification of Air Quality within Newcastle and these entail a broad and coordinated framework that uses modern monitoring instruments including a monitoring station in Newcastle. The Amajuba District Municipality is currently in the process of preparing and Air Quality Management Plan for the District. This initiative will include a comprehensive source inventory of emission data, meteorological data and supplementary data to inform constraints and opportunities of air quality in Newcastle.

3.3.11.5. CLIMATE CHANGE.

The majority of rainfall within Newcastle falls during summer within the October and March period. Peak rainfall falls within the November and January period. The winters are very cold and dry and they fall within the April and September period. The Mean Annul Evaporation within the area is approximately 1452mm with the periods October to April having an Average Evaporation of 140mm. The Mean Monthly Precipitation is approximately 874mm with the periods November to March having an Average Monthly Precipitation of 128mm. In general, the distribution of rain and temperature is highly influenced by the height above sea level. Within Newcastle, the highest rainfall occurs within the Newcastle-West area where altitudes are high and this area is also characterised by cold temperatures. We experience a decrease in the amount of rainfall receive as we move towards the Newcastle-East area where there's also higher temperatures.

Based on the 2007 SAWS data, the maximum hourly average temperature recorded was 34.9 ˚C (February and March 2007) and the minimum temperature recorded was -4.1 ˚C (May 2007) with the average temperature for the area being 17.6 ˚C. Due to global warming and the changes in the climate thereof, this has also influenced the local patterns of climate variability. The Environmental Management Framework Report (2015) states that climate change projections for this region indicated wetter than average conditions with higher average conditions with higher average annual and summer rainfall and fever days with low flow and an increased occurrence of extremes of dry and wet spells.

With regards to flooding, historical records have shown that extreme flood events have occurred in Newcastle at regular intervals throughout the last century. Such floods have had an impact on the land uses, the communities and the environment. The Ncandu and the Ngagane Rivers have regularly burst their banks due to the high levels of rainfall. It is thus safe to say that the occurrence of such events shall persist within the future with the severity of such extreme events likely becoming more noticeable in the future primarily because of an increase in population growth and spatial development thereof.

Another issue of great concern which might also result in the possible exacerbation of the effects of climate change is the degradation of the natural habitat. The natural systems such as floodplains and wetlands are in continuous threat from the illegal settlements that develop in such features. This is not only an issue to the natural environment but it is also a hazard to the well-being of the communities that reside in such areas as some illegally settle on floodplains.

3.3.11.6. PRIORITY MANAGEMENT AREAS.

The condition of biodiversity in the Newcastle Municipality relative to the provincial ecological statistics suggests that almost 50% (approximately 42%) of the provincial vegetation type referred to as Low Escarpment Moist Grassland is located within the Newcastle Municipality. Although this vegetation type is relatively untransformed (20% transformation) in the municipality and is therefore least threatened, the fact that it houses a large percentage of the provincial vegetation type confers high management significance for this area of biodiversity. The analysis also indicates that the endemic Northern KwaZulu-Natal Moist Grassland, the near endemic Income Sandy Grassland, and the Northern Zululand Sourveld are significantly transformed in the municipality and thus all three vegetation types are recommended as critically endangered in the municipality. The biodiversity analysis results need to be translated into management areas on the ground and management actions. The key vegetation areas that are threatened are the Northern KwaZulu-Natal Moist Grassland, KwaZulu-Natal Highland Thornveld, and the Income Sandy Grassland.

3.3.12. SWOT ANALYSIS.

STRENGTHS	WEAKNESSES
• Clusters of forests along Western cliff of plateau region. • Agriculture contributes significantly to the LED, household income and food security. • Mining is a major contributor to GDP, LED income. • Large wetland areas with tourism potential. • Baseline Water Quality is relatively good. • Beautiful landscapes of scenic significance. • Climate conditions favourable for agric-hub. • Large water catchment area. • Direct involvement of KZN Dept. of Agricultural and Environmental affairs in	• Large Scale of alien infestation. • Most abandoned coal mines are high risk areas. • Waste treatment infrastructure is under pressure and needs upgrading. • Landfill facility needs better management and rehabilitation. • Some residential zones have developed in close proximity where air quality impacts are likely to be greatest. • Lack of environmental education. • Lack of qualified environmental planners dealing with environmental issues. • Lack of air quality study

STRENGTHS	WEAKNESSES
the agricultural sector. • Good system of open spaces.	
OPPORTUNITIES	**THREATS**
• Eradicating alien plants and creating job opportunities at the same time. • Rehabilitation of degraded land in MBO area. • Investigate, rehabilitate and revert mining areas to alternative land uses. • Establishing biodiversity conservation corridors along Western highland plateau region. • Improve infrastructure to address infrastructure backlogs which might impact negatively on the environment. • Formalization and upgrading informal settlements. • Relocation of settlements located in high risk areas such as floodplains. • Opportunities for small and emerging farmers.	• Large scale loss of biodiversity. • Settlement, industrialization & mining threaten biodiversity. • Loss of good agricultural land to settlement, mining & industry. • Mining impacts on water quality. • Need for new landfill site. • Illegal mines pose a health and safety risk. • Informal and illegal dumping sites. • Poor agricultural practises in some instances.

3.3.13. DISASTER MANAGEMENT.

Like most other areas within the lovely KwaZulu-Natal Province, Newcastle is also prone to a wide range of natural and man-made risks and hazards that, in some instances, may result in disasters. These mainly include floods and fires which occur during any part of the year usually resulting in serious damages, costs, loss of life and/or property, infrastructure and economic livelihoods. NLM's Disaster Management Plan is currently being developed through close engagements with the established stakeholders in the form of the Disaster Management Advisory Forum. Upon completion the plan is envisaged to outline the basic concepts and principles related to disaster management, as well as common hazards and risks, and roles and responsibilities of all stakeholders involved in disaster risk reduction. The main focus of the plan is towards disaster risk reduction, and it is currently being

prepared in line with the requirements of the Disaster Management Act (Act No. 57 of 2002) which seeks to provide a uniform and multi-disciplinary approach in the management of disaster incidents in the province with specific emphasis on prevention, mitigation, preparedness and rapid response.

For the development of an efficient and effective disaster management plan, the programmes and strategies recommended towards disaster risk reduction should entail awareness campaigns, risk assessments, improving institutional reduction arrangements and poverty reduction plans, training programmes and research. The recommended response systems include early warning signals, regional response units and food security monitoring. The Disaster Management Advisory Forum is of critical importance for the development of an efficient Disaster Management Plan which plays a big role thus to ensure inclusivity and collective ownership of responsibility in line with the spirit of cooperative governance. The plan shall be used as a tool by departments, institutions and/or organizations through the alignment of their development plans with the Disaster Management Plan. This will be done by the plan through the following:-

- Identification of specific risks and hazards.
- Identification of measures for the reduction of disaster risks.
- Outlining of the roles and responsibilities in the management of disaster incidents.

The Honourable Mayor of Newcastle is the custodian of the Disaster Management Plan and is responsible, through supporting departments, especially **Community Services: Fire and Disaster Management**, to regularly review and update the plan. The overall vision of the plan is "Towards cutting-edge disaster risk management for safer and resilient Newcastle communities." The plan will also contain a disaster risk profile of the Newcastle Local Municipality thus to identify potential areas.

The NLM Disaster Management Plan is currently being developed in line with the requirements from the Disaster Risk Management legislation. The development thereof is guided by the NLM Disaster Management Advisory Forum which was established on the 12th of February 2013 and sits quarterly in line with the National and Provincial legislation. Discussed in the forums are issues such as disaster risk profiling, the objectives towards the KPAs, the related budget requirements, an analysis on climate change, mitigation and adaptation initiatives etc. These are crucial for the development of a comprehensive Disaster Management Plan that functions to give a true reflection of the Disaster Management conditions in Newcastle including the state of readiness. Therefore, the NLM

Disaster Management Plan is still undergoing a process of being developed **(Refer to ANNEXURE G: NLM Draft Disaster Management Plan)**

3.3.14. AMAJUBA DISTRICT DISASTER MANAGEMENT PLAN IN RELATION TO NEWCASTLE MUNICIPALITY.

The Amajuba District Municipality's Disaster Management Plan (2005), identifies 3 kinds of hazards that may occur within the district resulting in catastrophic consequences. In terms of the plan, a **'hazard'** is defined as "a potentially damaging physical event, phenomenon or human activity, which may cause the loss of life or injury, property damage, social and economic disruption or environmental degradation." Hazards are categories into 3 different typologies and they are as follows:-

- **Natural Hazards:** Typically natural processes or phenomenon occurring in the environment that may constitute a damaging event. Natural hazards are further classified into 3 namely Geological Hazards, Hydro Meteorological Hazards, and Biological Hazards.
- **Technological Hazards:** These relate to the dangers that originate from technological or industrial accidents, dangerous procedures or certain human activities, which may cause the loss of life or injury, property damage, social and economic degradation.
- **Environmental Degradation:** Processes induced by human behaviour and activities (sometimes combined with natural hazards), that damage the natural resource base or adversely alter natural processes or ecosystems.

The tables below depict the identified hazards with the Amajuba District Municipal area.

Natural Hazards	Geological Hazards	Landslide	Mudslide
	Hydro Meteorological Hazards	Drought	Fire
		Flood	Hailstorm
		Sever Storm	Snow
		Storm Surge	–
	Biological Hazards	Anthrax	Cholera
		Food Poisoning	Measles
		Polio	Rabies
		Shygella Dysentry	Tuberculosis

Technological Hazards	Dam Failures
	Hazardous Material: Roads
	Hazardous installations
	Hazards Materials: Rail

Environmental Degradation	Air Pollution
	Water Pollution
	Land Degradation

3.3.15. PRIMARY IMPACTS.

3.3.15.1. NATURAL HAZARDS.

Two kinds of geohazards are worth being considered within the Amajuba District and they entail the earthquakes and the catastrophic slope failures or other kinds of ground instability. Catastrophic slope failures may be triggered by earthquakes even though they are commonly associated with hydro-meteorological factors such as rainstorms or floods. The uThungulu region is the site of South Africa's largest earthquake in history, a magnitude 6.5 event (M6.5) on the "Richter" scale, which occurred on the continental margin near Cape St. Lucia on the 31st of December 1932. Furthermore, the seismic maps show that the Amajuba region is located closer to the edge of a belt of natural earthquake activity extending along the Great Escarpment between Limpopo, Mpumalanga, Swaziland and KZN, towards the offshore epicentre of the 1932 St. Lucia earthquake.

In terms of slope instability, the KwaZulu-Natal Geohazards Database currently identifies no record of slope failures of whatever type within the Amajuba area. The Masotcheni Formation is a distinct lithostratigraphic unit of colluvial sediments typically exposed to erosion gullies (dongas) and these are also found South-East of the Amajuba District along the Buffalo River. Therefore, those parts of the Amajuba area underlain by the Masotcheni Formation are prone to localised ground stability problems, however, only if they are close to areas of active donga erosion.

There are three kinds of hydro-meteorological hazards within the Amajuba District with the first worth the consideration being a drought. A drought may occur when there is a deficiency with the rainfall or other forms of precipitation for an extended period of time. This has implications on the level of run-off, the levels of soil moisture, dam levels, food production and ultimately the ability to supply potable water and maintain the ecosystem of a particular area. A drought can further be defined as being a meteorological, agricultural or a hydrological drought. Floods are also amongst the hydro-meteorological hazards within the Amajuba District and these mainly entail an event that results in high levels of water occurring in areas it does not normally occur. Floods are described in terms of the return period, meaning a 2 year flood has a 50% probability of occurring in any year and a 10 year flood has a 10% probability of occurring in any year. Amajuba District falls within the one of the highest risk zones in South Africa. Flooding is however also affected by local conditions, such as the level of urbanisation, the soil type and the level of environmental degradation, the local stormwater management and assessment of drainage capacity. It is the responsibility of the Newcastle Local Municipality to determine the specific flood lines for

rivers in their area. The Department of Water Affairs carries the responsibility to determine flood lines for dam break scenarios for all category 1 and 2 dams.

The Department of Water Affairs and Forestry has classified each metro pole and local municipality according to classes of veldfire risk, as a national framework for the implementation of the National Veld and Forest Fire Act. In terms of this classification, all three of the municipalities within Amajuba District Municipality have been classified as having an extremely high risk. The Amajuba District is also prone to biological hazards which may be defined as naturally occurring substances such as bacteria and moulds or animals such as insects that are able to cause illness in humans and animals. Biological hazards need not be habitually present in an area in order to give rise to an unexpected disaster.

Technological hazards are defined as danger originating from technological or industrial accidents, dangerous procedures or certain human activities, which may cause the loss of life or injury, property damage, social and economic degradation. In terms of hazardous material by road or rail, this may occur wherever hazardous materials are transported by road and rail. The spillage of hazardous materials can result in death on injury due to contact with toxic substances, resulting in explosions and/or fires. Where spillage occurs in environmentally sensitive areas, it can result in death of fauna and flora and can cause severe contamination of resources, such as groundwater and surface water. Other technological hazards include aircraft accidents, vehicle accidents and dam failures.

Environmental degradation entails any act that may result in either air pollution, water pollution and land degradation. KwaZulu-Natal has the second highest provincial soil degradation index in South Africa and the rates of soil degradation are increasing in grazing lands, more specifically in communal areas more than commercial farming areas. The province also has the second highest provincial veld degradation index in South Africa which is in the form of loss of plant cover and changes in the plant species composition.

The graphs below depicts the relative risk priority score for Newcastle Local Municipality.

Table 9: Risk Prioritization for Newcastle Local Municipality.

HAZARD	EXPOSURE	SEVERITY	PROBABILITY	ACTIONS NEEDED
Drought	Occasional	Moderate	Normal	Preparedness Planning
Fires	Continuous	Moderate	Likely	Risk Reduction Interventions
Floods	Occasional	Moderate	Normal	Preparedness Planning
Hail Storm	Occasional	Insignificant	Normal	Preparedness Planning
Snow	Occasional	Insignificant	Unlikely	Preparedness Planning
Anthrax	Seldom	Insignificant	Unlikely	Preparedness Planning
Cholera	Continuous	Extreme	Likely	Risk Reduction Interventions
Food Poisoning	Continuous	Moderate	Normal	Preparedness Planning

Rabies	Continuous	Moderate	Normal	Preparedness Planning
Aircraft Accidents	Seldom	Extreme	Unlikely	Preparedness Planning
Air Pollution	Continuous	Moderate	Likely	Preparedness Planning
Water Pollution	Continuous	Extreme	Likely	Risk Reduction Interventions

Table 10: Risk Manageability of Newcastle Local Municipality.

HAZARD	AWARENESS	LEGISLATIVE FRAMEWORK	EARLY WARNING SYSTEMS	GOVERNMENT RESPONSE	MUNICIPAL GOVERNMENT RESOURCES	EXISTING REDUCTION MEASURES	PUBLIC PARTICIPATION	MUNICIPAL MANAGEMENT CAPABILITIES
Drought	Modest	Good	Poor	Good	Good	Good	Modest	Good
Fires	Poor	Good	Poor	Modest	Poor	Modest	Modest	Good
Floods	Good	Good	Good	Good	Good	Modest	Modest	Good
Hail Storm	Modest	Poor	Poor	Good	Good	Poor	Poor	Good
Snow	Good	Good	Poor	Good	Poor	Poor	Modest	Modest
Anthrax	Good	Modest	Modest	Good	Good	Modest	Modest	Modest
Cholera	Good	Modest	Modest	Good	Good	Modest	Modest	Modest
Food Poisoning	Modest	Good	Good	Modest	Poor	Modest	Poor	Modest
Rabies	Good	Good	Good	Modest	Modest	Good	Modest	Modest
Aircraft Accidents	Modest	Poor	Modest	Good	Modest	Modest	Poor	Modest
Air Pollution	Good	Good	Good	Good	Good	Modest	Modest	Modest
Water Pollution	Good	Modest	Modest	Good	Modest	Modest	Poor	Modest

Table 11: Relative Risk Priorities for Newcastle Local Municipality.

HAZARD	TOTAL RISK	TOTAL RISK MANAGEABILITY	RELATIVE RISK PRIORITY	ACTIONS NEEDED
Drought	Tolerable	High	Safe	Preparedness Planning
Fires	Destructive	Modest	Tolerable	Risk Reduction Interventions
Floods	Tolerable	High	Safe	Preparedness Planning
Hail Storm	Safe	Modest	Safe	Preparedness Planning
Snow	Safe	Modest	Safe	Preparedness Planning
Anthrax	Safe	High	Safe	Preparedness Planning
Cholera	Destructive	High	Tolerable	Risk Reduction Interventions
Food Poisoning	Tolerable	Modest	Safe	Preparedness Planning
Rabies	Tolerable	High	Safe	Preparedness Planning
Aircraft Accidents	Safe	Modest	Safe	Preparedness Planning
Air Pollution	Destructive	High	Safe	Preparedness Planning
Water Pollution	Destructive	Modest	Tolerable	Risk Reduction Interventions

3.4. MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT.

3.4.1. MUNICIPAL TRANSFORMATION.

3.4.1.1. EMPLOYMENT EQUITY.

During the last financial year the municipality developed a new Employment Equity Plan which was approved by Council on September 2012. The Employment Equity Plan was aimed at addressing the injustices of the past through the promotion of affirmative action and gender equity for the previously disadvantage people. According to this plan, substantial progress has been made with regards to affirmative action. Table 8 below

indicates the distribution of staff according to gender and occupation level in the organogram.

Table 12: Staff Breakdown by Gender.

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	13	0	0	2	1	0	0	1	0	0	17
Senior management	18	0	2	1	8	0	2	2	0	0	33
Professionally qualified and experienced specialists and mid-management	21	1	3	7	22	1	2	8	0	0	65
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	70	9	20	26	67	3	10	26	0	0	231
Semi-skilled and discretionary decision making	134	0	14	5	61	3	15	13	0	0	245
Unskilled and defined decision making	328	5	12	1	140	1	0	0	0	0	487
TOTAL PERMANENT	584	15	51	42	299	8	29	50	0	0	1078
Temporary employees	63	3	3	4	34	0	9	9	0	0	125
GRAND TOTAL	647	18	54	46	333	8	38	59	0	0	1203

The NLM has a total staff complement of 1203 people. 1078 of these are permanent while only 125 are temporary employees.

The management (section 57 employees) comprises of four males and one female. This indicates a need for the transformation of this layer of management to include females and where possible the disabled as well. The gender composition for Post Level 1 – 3 is as follows:-

- 25 African Males and 9 African females.
- 2 Indian Males and 2 Indian females.
- 0 Coloured Male and 0 coloured female.
- 3 White Males and 3 white females.

3.4.1.2. NEWCASTLE TURN AROUND STRATEGY.

Newcastle Municipality has prioritised the following as part of the Municipal Turnaround Strategy:-

- Service Delivery (maintenance of the existing levels of infrastructure and the rehabilitation thereof, including addressing various service backlogs);
- Fast Track Sustainable Human Settlements through the Housing and Rural Development Program;
- Develop a Consolidated Infrastructure Plan and Capital Investment Plan for implementation;
- Debt Management – increase the payment factor thus for Revenue Enhancement, Debt Control and Revenue Collection;
- Integration and Co-ordination (Establishment of Economic Forums);
- Clean Audit by 2015;
- Intergovernmental relations;
- Identify infrastructure that supports economic development;
- Development of the Communication Strategy; and
- Halving poverty and unemployment by 2015.

3.4.2. ORGANISATIONAL DEVELOPMENT.

3.4.2.1. POWERS AND FUNCTIONS.

The powers and functions of the Newcastle Municipality are derived from the Constitution of the Republic of South Africa and a range of local government legislation, and could be summarised as follows:-

3.4.3. POWERS AND FUNCTIONS.

The following Local Government Powers and Functions as authorized to Newcastle Municipality were separated into core and non-core functions. Further allocation of powers and functions is elaborated on under institutional arrangements section.

Table 13: Core/Primary Functions.

Core/Primary		Capacity to implement (MDB)	Proposed intervention
Schedule 4 Part B	Building Regulations	Yes	None
	Electricity and Gas Reticulation	Yes	None
	Fire Fighting Services	Yes	None
	Municipal Planning	Yes	None
	Storm water Management systems in Built up areas	Yes	None
	Water and Sanitation Services	Yes	Await recommendations from

Core/Primary		Capacity to implement (MDB)	Proposed intervention
			MEC on intervention
Schedule 5 Part B	Cemeteries	Yes	None
	Cleansing	Yes	None
	Municipal Roads	Yes	None
	Refuse Removal, refuse dumps and solid waste disposal	Yes	None
	Street lighting	Yes	None
	Traffic and parking	Yes	None

Table 14: Non-core Powers and Functions.

	Non-core /Secondary Functions		
Schedule 4 Part B	**COMMENT FROM MDB(District Wide)**	**Schedule 5 Part B**	**COMMENT FROM MDB(District Wide)**
Air Pollution	None	Beaches and Amusement Facilities	Not or being poorly performed
Child Care facilities	Not or being poorly performed	Billboards and the display of advertisements in public places	None
Municipal Airports	Not or being poorly performed	Control of undertakings that sell liquor to the public	Not or being poorly performed
Municipal Health Services	None	Facilities for the accommodation, care and burial of animals	Not or being poorly performed
Municipal Public Transport	Not or being poorly performed None	Fencing and fences	None
Municipal Public Works	None	Licensing of dogs	Not or being poorly performed
Pontoons, ferries, jetties etc	Not or being poorly performed	Licensing and control of undertakings that sell food to the public	Not or being poorly performed
Trading Regulations	Not or being poorly performed	Markets	Not or being poorly performed
Local Tourism	Being poorly performed	Municipal Abattoirs	Not or being poorly performed
		Noise Pollution	Not or being poorly performed
		Pounds	Not or being poorly performed
		Public Places	None
		Street Trading	None
		Control of public nuisances	None
		Local Sports facilities	None
		Municipal parks and recreation	None
		Funeral parlours and crematoria	None

Newcastle Municipality has developed sufficient in-house capacity to perform all the core functions. None core functions are performed with the assistance of various government departments and other service delivery agencies e.g. Eskom.

There is a need to initiate the process of clarifying roles and responsibilities of all internal and external stakeholders in respect of Powers and Functions at all levels. This has accordingly been prioritised in the NNTAS.

In order to maximise administrative and operational efficiency, all powers subject to section 32 of the Local Government: Municipal Structures Act 1998, not otherwise delegated, have been delegated to the Executive Committee excluding the following:-

- Approval of an Integrated Development Plan;
- Passing of by-laws;
- Approval of budgets;
- Imposition of rates and other taxes, levies and duties; and
- Raising of loans.

In respect of the water and sanitation service – this service is rendered through a Water services provider (uThukela Water Pty Ltd) with the Municipality serving as the Water Services Authority. The Amajuba District function being performed by the municipality is the Environmental Health Function and arrangements regarding the transfer of the function to the District are in progress.

3.4.3.1. ORGANOGRAM.

Figure 14: Organizational Structure - Administration.

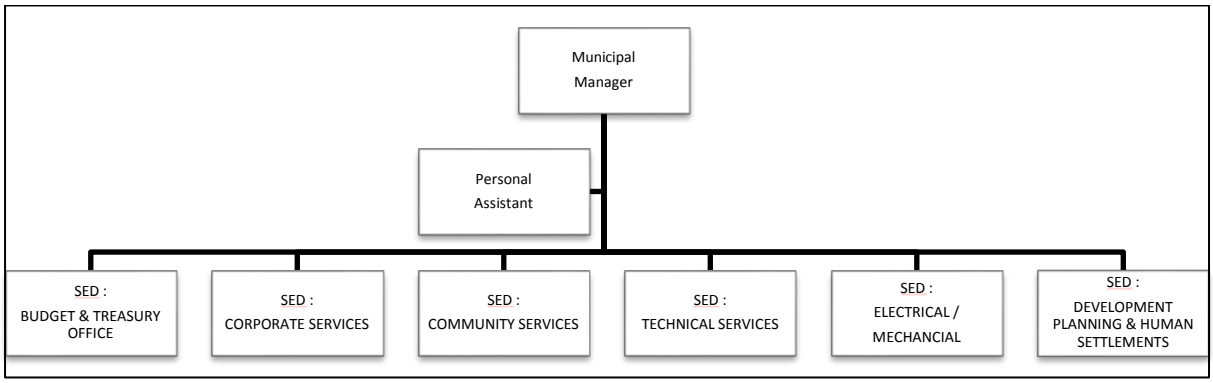
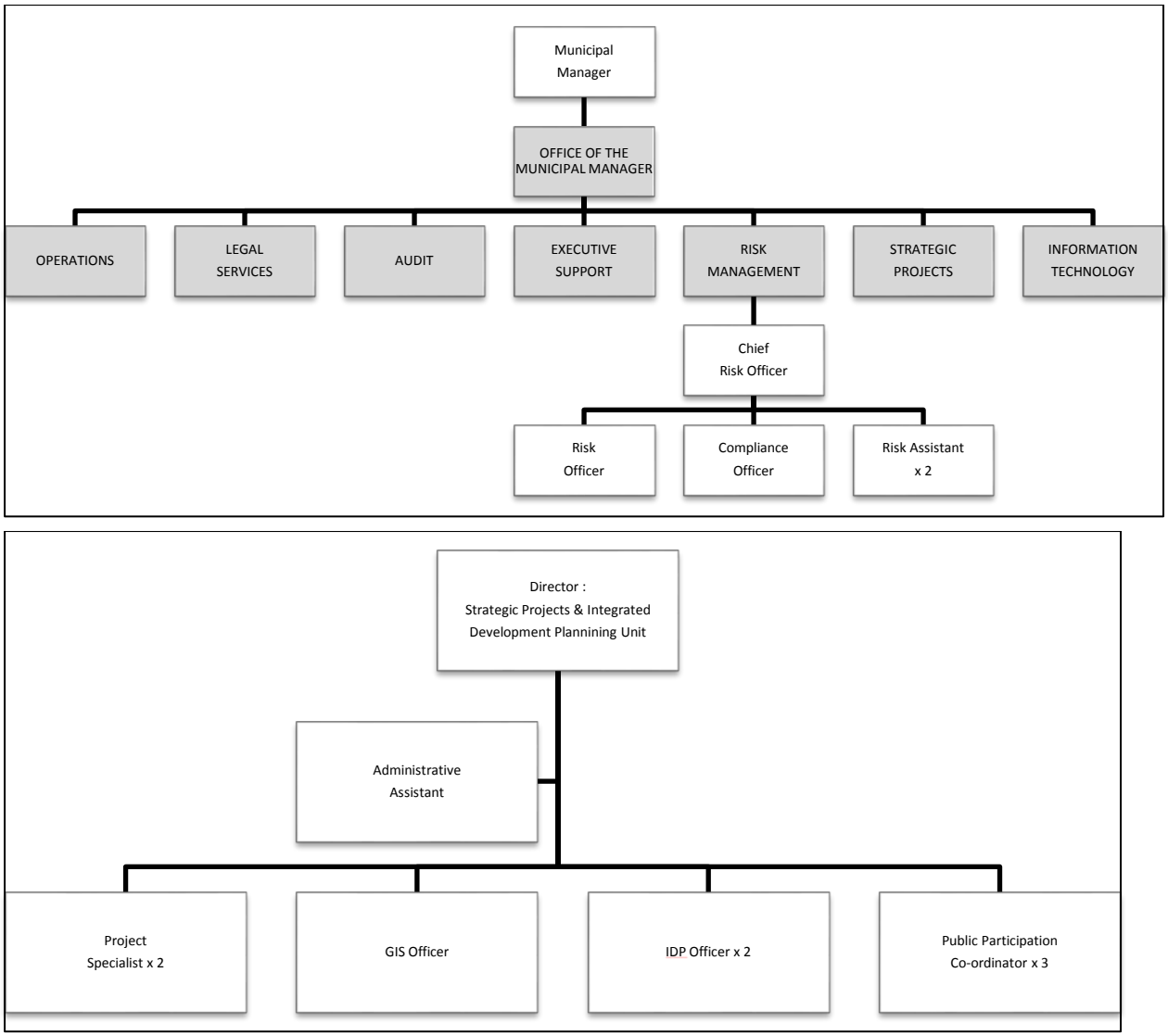

Municipal Manager
Personal Assistant
SED : BUDGET & TREASURY OFFICE
SED : CORPORATE SERVICES
SED : COMMUNITY SERVICES
SED : TECHNICAL SERVICES
SED : ELECTRICAL / MECHANCIAL
SED : DEVELOPMENT PLANNING & HUMAN SETTLEMENTS

Figure 15: Office of the Municipal Manager.



The organogram illustrated above and as approved by Council in September 2012, makes provision for a Municipal Manager, and 5 departments under each Strategic Executive Director (SED). The office of the Municipal Manager includes Internal Audit and Strategic Services such as IDP, Legal, Risk Management and PMS. The administration is structured for effective delivery of services and support to governance structures. The Council has made a provision of over R10 million for filling of vacant posts starting with senior positions. Consequently, the process of filling in all the vacant SED and senior management posts has been finalized and also makes provision for women in senior positions including the Strategic Executive Director position. However, challenges are being experienced with regards to the scarce skills especially at the Electrical Services Department whereby there has been huge staff losses. However, the municipality has recruited a big

number of Interns and some are being seconded by DBSA as part of the Skills Development Program.

The organogram makes provision for Environmental Planners within the Department of Development Planning and Human Settlements. Funds have been made available to fill all the critical positions including the Environmentalists. This department has a huge role to play in ensuring that the municipality plans while taking the environment into consideration and promotes sustainable development within the city. The Environmental Management (Waste Management) Services exists within the Department of Community Services. This department renders services of ensuring that the city remains clean at all times and promotes a sustainable living environment.

As a result, Newcastle Municipality has continuously placed itself on the map by achieving various accolades, ranging from the best Mayor, most innovative technology (going paperless), cleanest town in the Province for three consecutive times and second Nationally and most recently the Govan Mbeki Award, Level 2 Accreditation.

3.4.3.2. STAFF BREAK-DOWN.

As of 2012, the Municipality had a staff compliment of 1203 people, servicing areas of Newcastle, Madadeni, Osizweni, Blaauwbosch, Ngagane, Kilbarchan, and Charlestown. The ideal total for the establishment should be 2000. However, the micro structure is being reviewed as part the organisational restructuring process, and the staff complement could therefore increase to meet the service delivery challenges as highlighted in this IDP.

Table 15: Staff Complement by Function.

DEPARTMENT	NO. OF EMPLOYEES	MALES	FEMALES
Municipal Manager and Mayor's office	42	22	20
Corporate Services			
- Administration	36	15	21
- Human Resources	22	9	13
Community Services			
- Culture & Amenities	241	164	77
- Protection / Community Services	452	304	148
Development & Planning			
- Town Planning	30	17	13
- Housing & Land	29	11	18
- Economic Development	11	8	3
Technical Services			
- Civil Services	182	126	56
- Electrical / Mechanical Services	66	54	12
Financial Services	92	35	57

The composition of senior management broadly reflects the demographic composition of Newcastle Municipality. One of the recently appointed SEDs is a female, which brings the female compliment of senior management to ten (10).

3.4.3.3. WORKPLACE SKILLS PLAN.

Human Resources Division (HRD) has been successful in rolling out training programmes as per the Workplace Skills Plan. Employee representatives of almost all Departments have been sent to different workshops which address the skills gaps identified by their respective departments. The most interesting and fascinating training undertaken by Newcastle Municipality has been the Municipal Finance Management Program which has enrolled all senior managers from level three upwards. This was congruent with National Treasury, MFMA minimum competency regulation which compels municipal officials to enrol in this course in order to be efficient on the implementation of MFMA.

Some other interventions are done through the Determination of Training Needs. This training forms the bulk of all training that gets arranged. All 245 employees including councillors have been trained. This works out to 77.7% of 311 officials that were planned to be trained. Training areas covered a wide range of fields related to municipal administration and delivery of services.

3.4.3.4. HUMAN RESOURCE POLICIES.

The following Human Resource policies and strategies are in place at the Newcastle Municipality:-

- Macro Structure – Restructuring Plan;
- Micro Structure – in progress;
- Human Resources Policy;
- Recruitment Policy;
- Overtime Policy;
- Subsistence and Travelling Policy;
- Cell Phone Policy;
- Sexual Harassment Policy;
- HIV/AIDS Policy; and
- Employee Assistance Programme.

3.4.3.5. LIST OF ALL THE COUNCIL ADOPTED POLICY.

The following table illustrates the list of all the Council adopted policy of the Newcastle Local Municipality:-

Table 16: Council Approved Policy.

NAME OF POLICY	DATE OF APPROVAL
Parental Rights Agreement (SALGBC) – Ante-and-Post Natal Care Policy	2000
Grievance Procedures Policy	2002
Disciplinary Procedures Policy (Amendment)	2012
Leave Policy	01 January 2014
Housing Subsidy Policy	2003
Severance Pay Policy	2005
Hours of Work Policy	2002
Special Leave and Definition of Special Leave Policy	2004
Long Service Leave Policy	2000
Acting Allowance Policy	01 September 2014
Night Work Allowance Policy	2013
Standby Allowance Policy	2007
13th Cheque Allowance Policy	2002
Overtime Policy	27 August 2008
Emergency Work Policy	2006
Legal Indemnification Policy	2004
Special Sick Leave Policy	2006
Probationary Employees Policy	2005
Vacancies Policy	2009
Employee Records Policy	2004
Banking Policy	2004
Salary Deductions Policy	2004
Outside Business Profession or Trade Interest Policy	2006
Trade Union Membership Policy	2002
Demotion Policy	2005
Medical Aid Scheme Policy	2003
Paying of Accumulated Vacation Leave and Salary Calculation Policy	2003
Termination of Service Policy	2001
TASK Job Evaluation SALGA Policy	2006
Attendance and Punctuality of Staff – SALGA Policy	2002
Cellular Phones Policy	2013
Mayoral Vehicle Policy	2007
Pool Vehicle – Guidelines on Municipal and Hired Vehicle Usage Policy	2006
Subs. Allow. Trips: Visits Outside the Country Policy	2004
Recruitment and Selection Policy	03 April 2003
S & T Policy	02 February 2009
Internship Programme Policy	26 March 2012
Involvement of Spouse: Official Business Trips Policy	2008
Official Attend. Of Memorial Services and Funerals Policy	2009

Stuff Study Bursaries Policy	26 August 2012
Smoking Policy	10 May 2005
Assistance with Household Removal Costs Policy	2004
Employee Equity and Affirmative Action Policy	26 September 2012
Transport Allowance Scheme Policy	October 2014
Access to Employee Files Policy	2002
Employee Promotion Policy	2004
Confidentiality Policy	2001
Security of Municipal Affairs Policy	2001
Use of Municipal Assets and Resources Policy	2008
Substance Abuse Policy	2000
Training and Development Policy	26 March 2012
Employee Wellness Policy	25 July 2007
Protective Clothing Policy	2008
Councillor Skills Audit Questionnaire and Policy	2006
HIV/AIDS Policy	25 July 2007
Sexual Harassment Policy	30 April 2003
Security and Access Control Policy	2002
Standby Allowance Policy	2003
Fleet Management Policy	2000
Council Owned Vehicles Policy – Mayor	02 May 2014
Council Owned Vehicles Policy – Deputy Mayor	02 May 2014
Records Management Policy	29 August 2012
Occupational Health and Safety Policy	25 November 1998
Batho Pele Policy	1999
Carnegie Art Gallery Trust Document	1999
Newcastle Municipality Framework for Performance Management	March 2015
Municipal Corporate Governance of Information and Communication Technology Policy	2013
Risk Management Policy	27 July 2011
Anti-Fraud and Corruption Policy	27 July 2011
Ward Committee Policy	29 May 2013
Home Based Business Policy and By-Laws	19 August 2014
Outdoor Advertising Policy and By-Laws	21 January 2015
Policy on the Placement of Shipping Containers on Areas Under the Jurisdiction of Newcastle Municipality	19 August 2014
Place Naming Policy	28 April 2014
Municipal International Relations: Twinning of Cities Policy	11 November 2003
Industrial Marketing: Policy on Marketing Activities	04 December 2002
Industrial Marketing: Incentive Policy for Newcastle	26 November 2002
Poverty Alleviation Policy	2009
Newcastle Informal Trading Policy and By-Laws	2013
Land Disposal Policy	11 March 2015
Housing Allocation Policy	2007
Real Estate Disposal and Acquisition Policy	11 March 2015
Acting Appointments Policy	

Borrowing Policy	
Budget Policy	
Cash Management and Investment Policy	
Customer Care, Credit Control and Debt Collection Policy	
Debt Write-Off Policy	
Fixed Asset Management Policy	
Funding and Reserves Policy	
Indigent Policy	
Overtime Policy	
Rates Policy	
Supply Chain Management Policy	
Tariff Policy	May 2014

3.4.3.6. INFORMATION TECHNOLOGY.

Information Technology has become an important component of NLM in the quest to improve and transform the lives of communities, and to assist and enable other departments within the Municipality to render a quality service to stakeholders and the public at large.

Below are a couple of activities that have taken place since IT was incorporated into the NLM and the future they hold:-

- Network Infrastructure: A data network ensures that the systems at the revenue collection points are always live. Rate payers do not have to be turned away because systems are offline and thereby causing them great inconvenience. This also results in poor cash inflows for the Municipality. NLM is committed to providing a stable and reliable network infrastructure for effective and efficient service delivery.
- Electronic Agendas: This is an IT solution that the NLM adopted for the distribution of electronic agendas to EXCO with a view to cascade it to the entire Council, and internally for the Bid and Portfolio Committees. NLM's long term view on this is the return on investment that will be seen from a decrease in printing and delivery costs, and Council's commitment to reducing our carbon footprint which is promoted to our stakeholders. COP17 has not gone unnoticed and the municipality will continue with developing such projects for the good of our environment.
- Website: NLM has taken a hands-on approach on the maintenance of the website. The municipality is legislated to publish policies and documents that directly affect the community; these are now published and updated frequently. A future total revamp of the NLM website is on the cards with the intention to create a more interactive and user friendly website that has a number of features. Such features will enable NLM and the

users to view and publish stories from the community, publish events that affect our communities, view and pay municipal accounts online, view the online spatial map of Newcastle, view and pay traffic and parking tickets, view dam and water quality statistics, get access to efficient tourism information, and many other services. Accessibility of the website will be of great importance as NLM is also committed to providing these online services to special users like our senior citizens and younger children.

NLM has other projects that it intends to run which will bring real social transformation to the communities of Newcastle. These include a Customer Relations Management (CRM) system for members of the public to log their issues which will be cascaded to the relevant departments. Attendance to these will be tracked by way of email updates on progress to the users and reminders to the relevant department. This will not only make the municipality more effective but it will also increase efficiency because employees responsible for handling these calls will be made accountable.

As a way to bridge the digital divide in Newcastle, NLM will be introducing participation mechanisms to enhance communication, accountability, responsiveness, transparency and provide for active citizenship. This will be done through the provision of basic ICT Maturity e-governance services such as SMS alerts of council meetings, standing committees etc., ICT enabled customer satisfaction surveys, the provision of online payment of rates, utilities, traffic fines etc., SMS alerts for accounts due and service disruption warnings, electronic newsletter for the community. Successful implementation of this phase will see more of such e-governance services being offered to the community. In the future, the municipality plans to take advantage of the National Broadband Policy of South Africa which will guide NLM to ensure that all places in and around Newcastle have internet connectivity. Broadband infrastructure is central in achieving the goal of digital inclusion, enabling universal, sustainable, ubiquitous and affordable access to ICTs by all, and providing sustainable connectivity and access to remote and marginalized areas within the NLM.

3.4.3.7. ICT POLICY FRAMEWORK.

As a measure thus to ensure effective and efficient management of ICT resources and processes, NLM has recently developed a Municipal Corporate Governance of Information and Communication Technology Policy. In turn, this will aid the municipality in achieving the municipal goals and objectives. The main purpose of the policy is to align ICT functions to the organizational goals, minimse the risk ICT introduces and ensure that there is value in the investments made in ICT.

The view of the Newcastle Municipality is that ICT should be governed and managed at all levels within an organizational structure and this is also supported by internationally accepted good practice and standards. With regards to municipal operations, the policy places a very specific responsibility on the Council and Management within NLM in order to ensure that the decision making process for ICT remains transparent. Such measures enable the municipality to align the delivery of ICT services with the municipality's Integrated Development Plan's strategic goals.

ICT Governance is implemented in two different layers namely:-

- **Corporate Governance of ICT** – the governance of ICT through structures, policies and processes;
  - In terms of Corporate Governance of ICT, the current and future use of ICT is directed and controlled.
- **Governance of ICT** – through Standard Operating Procedures.
  - In terms of Governance of ICT, used are the individual processes and procedures which ensure the compliance of the ICT environment based on pre-agreed set of principles.

November 2012 marked the approval of the Public Service Corporate Governance of ICT Policy Framework by Cabinet. The Cabinet also made ICT applicable to National and Provincial Departments, Provincial Administrations, Local Governments, Organs of State and Public Entities for implementation by July 2014

In order to meet the set requirement from the Cabinet, various government departments collaborated and developed the Municipal Corporate Governance of ICT Policy for application in the Local Government sphere. Such government departments entail the Western Cape Department of Local Government, Department of Cooperative Governance (DCOG), Department of Public Service and Administration (DPSA), South African Local Government Association (SALGA), and the Western Cape Provincial Treasury.

The main purpose of the Municipal Corporate Governance ICT Policy is to institutionalise the Corporate Governance of ICT as an integral part of corporate governance within the Newcastle Municipality. This Municipal Corporate Governance ICT Policy provides the Municipal Council and Management with a set of principles and practices that must be complied with, together with an implementation approach to be utilised for implementation of ICT Governance.

The objectives of this Corporate Governance of ICT Policy for Newcastle Municipality seek to achieve the following:-

- Institutionalise a Corporate Governance of ICT Policy that is consistent with the Corporate Governance Frameworks of the Municipality;
- Aligning the ICT strategic goals and objectives with the Municipality's strategic goals and objectives;
- Ensuring that optimum Municipal value is realised from ICT-related investment, services and assets;
- Ensuring that Municipal and ICT-related risks do not exceed the Municipality's risk appetite and risk tolerance;
- Ensuring that ICT-related resource needs are met in an optimal manner by proving the organisational structure, capacity and capability.
- Ensuring that the communication with stakeholders is transparent, relevant and timely; and
- Ensuring transparency of performance and conformance and driving the achievement of strategic goals through monitoring and evaluation.

The following practices outlined in the table below have been assigned to specific designated municipal structures and officials in order to achieve the objectives and principles contained in this Municipal Corporate Governance of ICT Policy:-

Practice No.	Practices Description
1.	**The Municipal Council must:** Provide political leadership and strategic direction through: a) Determining policy and providing oversight; b) Take an interest in the Corporate Governance of ICT to the extent necessary to ensure that a properly established and functioning Corporate Governance of ICT system is in place in the municipality to leverage ICT as an enabler the municipal IDP; c) Assist the Municipal Manager to deal with intergovernmental, political and other ICT-related Municipal issues beyond their direct control and influence; and

Practice No.	Practices Description
	d) Ensure that the municipality's organisational structure makes provision for the Corporate Governance of ICT.
2.	**The Municipal Manager must:** a) Provide strategic leadership and management of ICT; b) Ensure alignment of the ICT strategic plan with the municipal IDP; c) Ensure that the Corporate Governance of ICT is placed on the municipality's strategic agenda; d) Ensure that the Corporate Governance of ICT Policy, charter and related policies for the institutionalisation of the Corporate Governance of ICT are developed and implemented by management; e) Determine the delegation of authority, personal responsibilities and accountability to the Management with regards to the Corporate Governance of ICT; f) Ensure the realisation of municipality-wide value through ICT service delivery and management of Municipal and ICT-related risks; g) Ensure that appropriate ICT capability and capacity are provided and a suitably qualified and experienced Governance Champion is designated; h) Ensure that appropriate ICT capacity and capability are provided and that a designated official at a Management level takes accountability for the Management of ICT in the municipality; and i) Ensure the monitoring and evaluation of the effectiveness of the Corporate Governance of ICT system e.g. ICT steering committee.
3.	**The Municipal ICT Steering Committee, Risk and Audit Committee must** Assist the Municipal Manager in carrying out his/her Corporate Governance of ICT accountabilities and responsibilities.
4.	**Management must ensure:** a) ICT strategic goals are aligned with the municipality's Municipal strategic goals and support the municipal processes; and b) Municipal-related ICT strategic goals are cascaded throughout the municipality for implementation and are reported on.

The following entails a list of the benefits that may be realised through effectively implementing and maintaining the Corporate Governance of ICT:-

Establishment of ICT as a strategic enabler in a municipality;

- Improved achievement of municipal integrated development plans;
- Improved effective service delivery through ICT-enabled access to municipal information and services;
- Improved ICT enablement of a municipality;
- Improved stakeholder communication;
- Improved delivery of ICT quality services;
- Improved trust between the municipality and the community through the use of ICT;
- Lower costs (for ICT functions and ICT dependent functions);
- Increased alignment of ICT investment towards municipal integrated development plans;
- Improved return on ICT investments;
- ICT risks managed in line with the ICT priorities and risk appetite of the municipality;
- Appropriate security measures to protect both the municipality and the information of its employees;
- Improved management of municipal-related ICT projects;
- Improved management of information as ICT is prioritised on the same level as other resources in municipalities;

- ICT pro-actively recognises potential efficiencies and guides municipalities in timeous adoption of appropriate technology;
- Improved ICT ability and agility to adapt to changing circumstances; and
- ICT executed in line with legislative and regulatory requirements.

3.4.3.8. SWOT ANALYSIS.

STRENGHTS	WEAKNESSES
▪ Capacity to perform most of the critical municipal functions. ▪ Effective systems and procedures including various management policies. ▪ Low vacancy rate especially among senior management posts and other critical posts. ▪ Advanced and integrated information management system. ▪ Good relationship between staff, management and councillors. ▪ Committed and dedicated staff. ▪ Organizational culture based on hard work and dedication.	▪ Dominance of males in senior management. ▪ Representation of women and the disabled in total staff complement. ▪ Weak knowledge management and institutional memory systems.
OPPORTUNITIES	**THREATS**
▪ Government funded staff training programmes. ▪ Continuous staff training and development. ▪ Local government support from COGTA and Treasury. ▪ Municipal turnaround strategy.	▪ Constant changes in legislation and national policy. ▪ Withdrawal of government programmes for staff training and development. ▪ Changes in the formula for the allocation of government grants including equitable share.

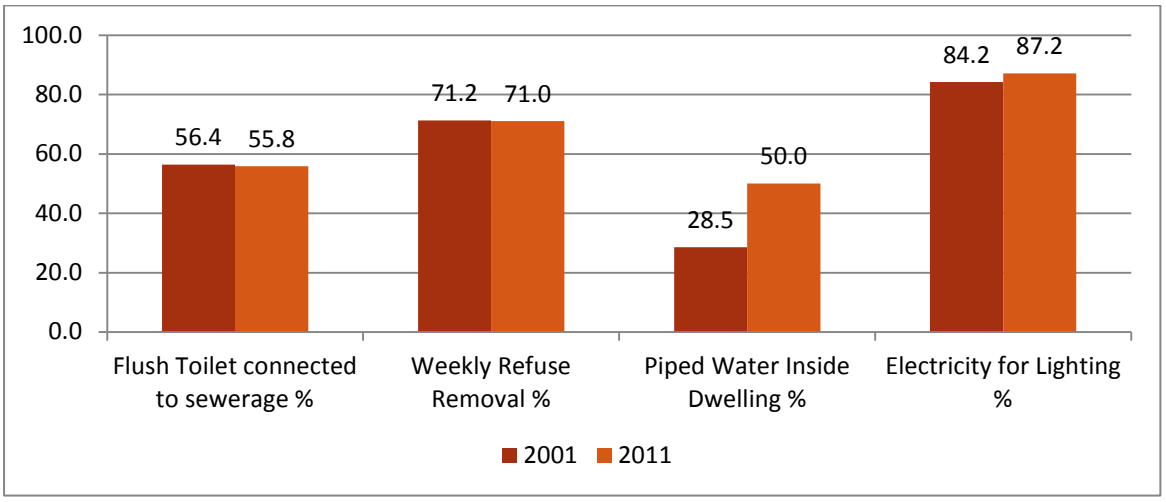
3.5. SERVICE DELIVERY AND INFRASTRUCTURE ASSESSMENT.

NLM is one of the few local municipalities that have the responsibility to plan, provide and regulate infrastructure development throughout its area of jurisdiction. This includes both bulk infrastructure development and reticulation.

3.5.1. GENERAL ACCESS TO BASIC SERVICES.

As indicated on Figure 12 below, access to basic household services in Newcastle Municipality has improved substantially since 2001 with more people (50% as opposed to 28.5% in 2001) having piped water inside their dwellings, and 87.2% having electricity for lighting marking an increase from 84.2% in 2001. The situation with regards to sewer connection and refuse removal remains largely unchanged reflecting the impact of population growth.

Figure 16: Household Services.

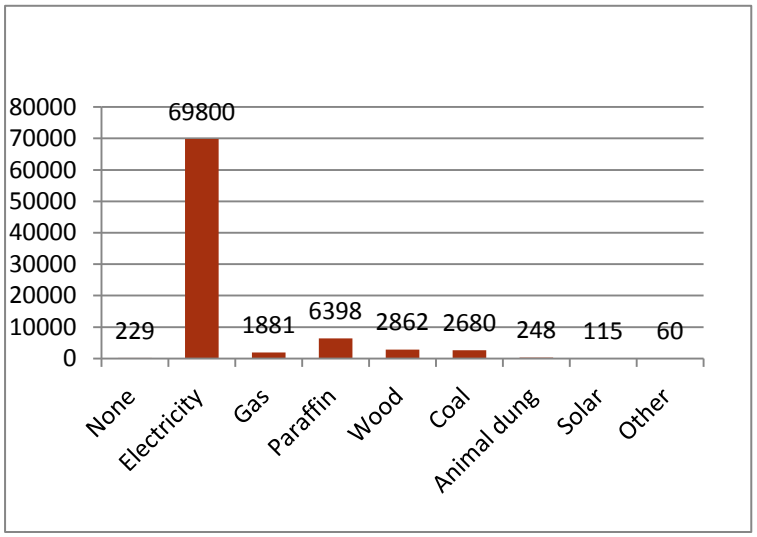


Source: Stats SA, 2011

However, the standard and level of service differs significantly among areas reflecting the impact of the past apartheid policies. The JBC area and the surrounding settlements are characterised by severe service backlogs and underdevelopment.

3.5.1.1.1. SOURCES OF ENERGY.

Figure 17: Sources of Energy for Cooking.



The municipality, with the assistance of ESKOM, has made substantial progress with the provision of electricity throughout its area of jurisdiction. 69 800 and 73 449 households are using electricity for cooking and lighting respectively. The number of people using sources of energy such as paraffin, wood, gas, coal,

etc. has declined substantially. However, there are few areas where lack of services have been reported. These include informal settlements and areas that were settled after the electrification of the settlement.

3.5.1.1.2. ACCESS TO WATER.

Water supply infrastructure in Newcastle Municipality varies between areas reflecting the impact of fragmented spatial development and urban bias of the past planning and development practices. Newcastle town is generally well provided with water while a few households in Madadeni and Osizweni Townships are experiencing shortages in this regard. According to the Newcastle Municipality Water Services Develop Plan (2013/14), there are four categories of settlements serviced with water within the municipal jurisdictional area and these are as follows:-

- Urban – Formal towns within the vicinity of urban cores;
- Urban – Former residential township areas;
- Urban – Informal settlements (squatter camps); and
- Rural – Small villages with a population less than 5000.

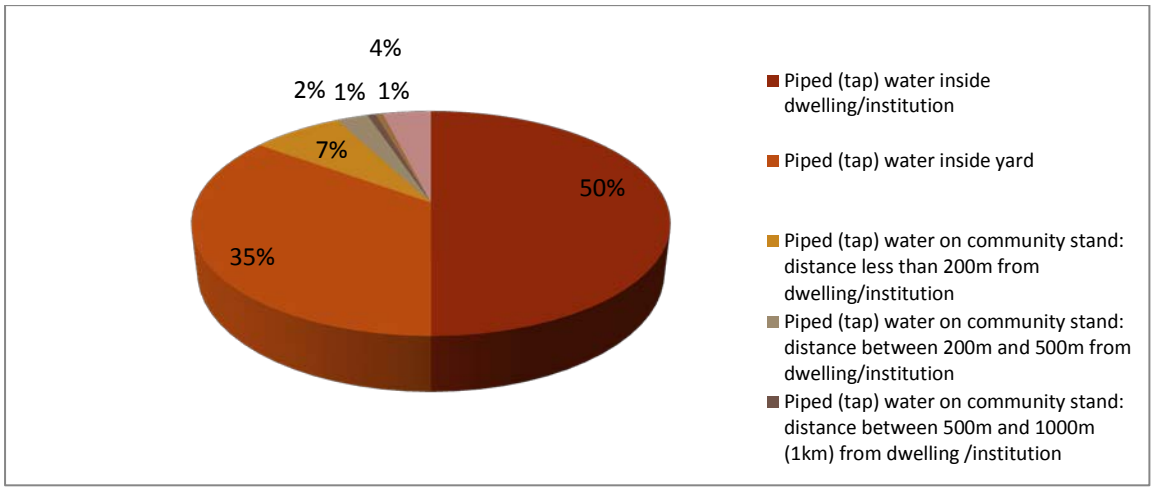
Severe backlogs have been reported in rural settlements where the level of backlog is high. The high backlogs are mostly concentrated in Ward 1 where there is a moderate percentage of households with inadequate water services. A review of the 2011 Stats SA Census Data reveals that 50% of the population has water inside their dwelling units. However, a significant number of people (more than 35%) still obtain water beyond a 200m radius in the form of communal stand pipes. People who do not have access to piped water account for only 4% of the total population.

Table 17: Level of Access to Piped Water.

ACCESS TO PIPED WATER	NO. OF HH
Piped (tap) water inside dwelling/institution	42 126
Piped (tap) water inside yard	29 508
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	6 159
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	2 142
Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	562
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	485
No access to piped (tap) water	3 290
Unspecified	-
Not applicable	-
GRAND TOTAL:	**84 272**

Source: Stats SA, 2011

Figure 18: Level of Access to Water (Stats SA Census Data 2011).


4%
2% 1% 1%
7%
50%
35%
Piped (tap) water inside dwelling/institution
Piped (tap) water inside yard
Piped (tap) water on community stand: distance less than 200m from dwelling/institution
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution
Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution

The Newcastle Municipality, in line with National policy on FBW, makes budgetary provision of 12kl per household for indigent families, funded through the Equitable Share. The recently updated Water Services Development Plan (2013/14) indicates that there has been a reduction of 18% in water backlogs between the year 2002 and 2010 with an existing water service backlog of 24%. Breakdown of the level of access to water by municipal wards is indicated on the table below:-

Table 18: Access to Water by Electoral Wards.

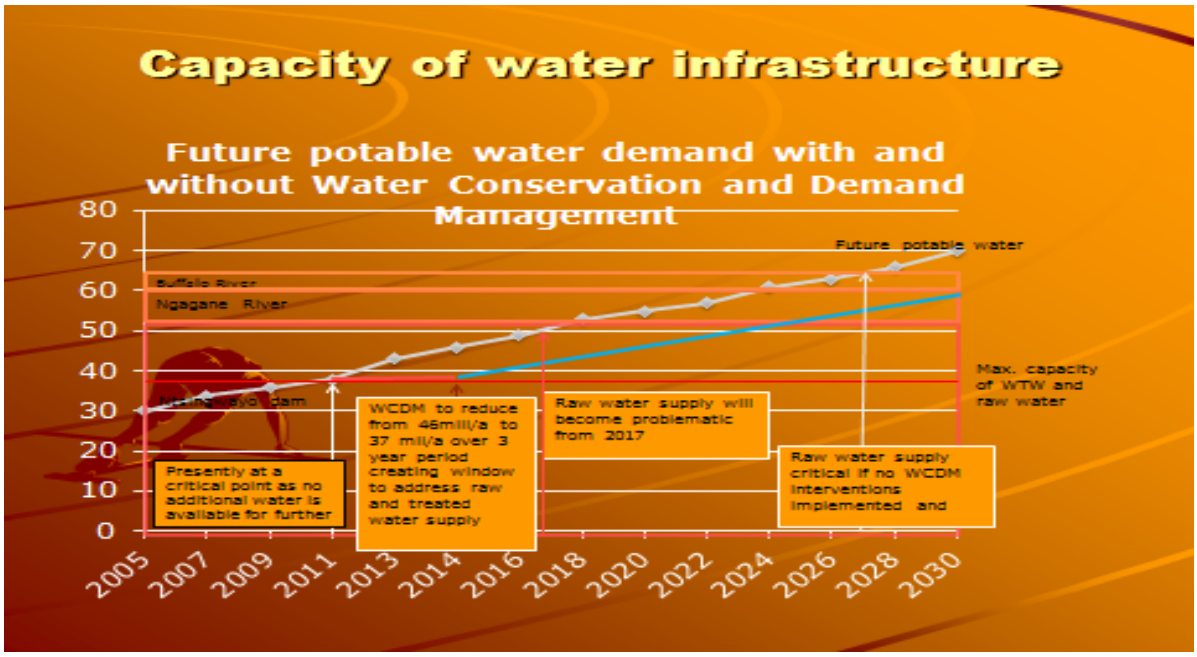
Source of water	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/pool/ stagnant water	River/ stream	Water vendor	Water tanker	Other
Municipal Wards	851	933	452	93	94	258	20	341	87
Ward 1	3 242	6	1	2	1	1	5	5	20
Ward 2	2 294	16	1	3	9	12	8	7	34
Ward 3	2 789	6	-	7	3	1	8	13	9
Ward 4	2 873	7	1	1	3	1	6	4	8
Ward 5	3 821	82	11	29	5	7	55	552	249
Ward 6	3 216	32	2	15	6	5	20	93	239
Ward 7	1 765	17	-	1	2	-	5	49	22
Ward 8	3 632	11	-	3	-	-	4	5	70
Ward 9	2 108	2	-	1	1	-	5	7	38
Ward 10	2 436	8	4	1	4	-	12	4	32
Ward 11	1 701	31	7	2	1	-	7	14	68
Ward 12	1 667	3	3	1	-	-	2	7	6
Ward 13	3 287	13	5	2	2	-	-	89	214
Ward 14	1 444	216	27	5	12	4	13	280	212
Ward 15	2 613	117	2	7	2	-	5	17	345
Ward 16	2 368	8	-	-	-	-	25	1	7

Source of water	Regional/local water scheme (operated by municipality or other water services provider)	Borehole	Spring	Rain water tank	Dam/pool/ stagnant water	River/ stream	Water vendor	Water tanker	Other
Ward 17	2 148	99	-	1	-	-	20	29	277
Ward 18	2 215	21	7	1	6	1	2	230	22
Ward 19	3 705	41	1	4	-	-	12	11	17
Ward 20	2 583	118	5	76	2	12	17	149	136
Ward 21	1 949	1	-	2	-	-	5	4	1
Ward 22	1 800	7	-	2	-	-	11	112	9
Ward 23	2 906	25	2	1	2	-	3	4	17
Ward 24	3 382	301	1	2	-	5	6	-	13
Ward 25	1 601	4	-	1	1	-	2	1	8
Ward 26	2 453	6	-	-	2	-	5	1	14
Ward 27	1 633	2	5	1	4	1	1	7	8
Ward 28	2 497	2	-	2	1	-	8	17	8
Ward 29	2 576	13	2	7	5	1	5	87	24
Ward 30	2 171	87	4	1	1	2	9	270	81
Ward 31	75 725	2 235	545	278	169	312	305	2 411	2 292
Grand Total	**75 725**	**2 235**	**545**	**278**	**169**	**312**	**305**	**2 411**	**2 292**

Source: Stats SA, 2011

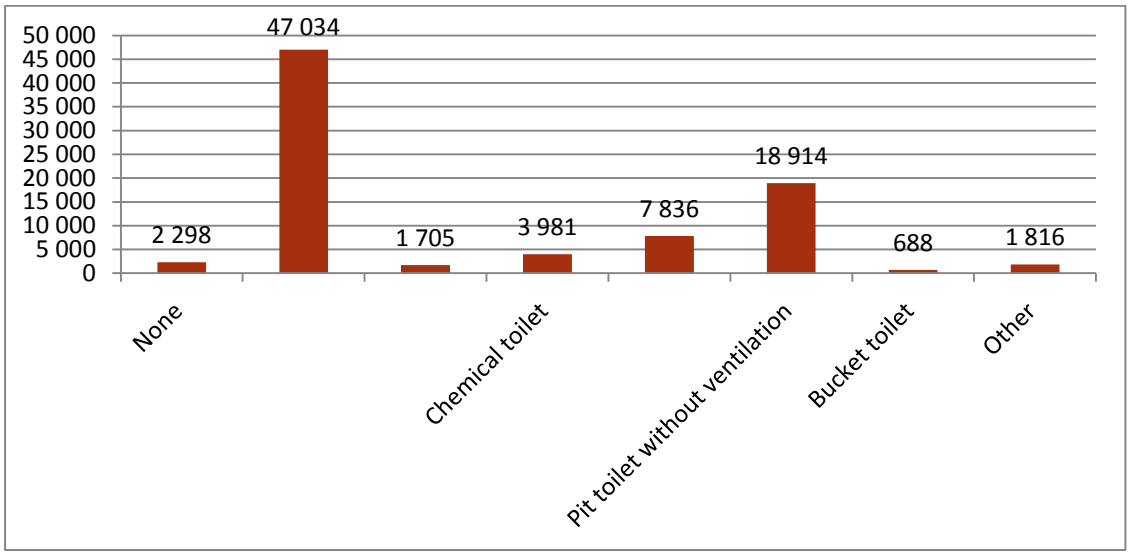
The graph below illustrates the demand for water and indicates the crisis that might face NLM is water issues are not given priority within LM.

Figure 19: Capacity of Water Infrastructure



3.5.1.2. ACCESS TO SANITATION.

Figure 20: Access to Sanitation



Source: Stats SA, 2011

Similarly, the peri-urban and rural areas such as the JBC and rural settlements in the Khathide and AmaHlubi communities are characterised by high sanitation backlogs. The JBC node has no sewerage reticulation in place. The residents rely on over 15 000 ventilated improved pit (VIP) latrines. Most of the VIPs are full and the Municipality spends about R1.0 million every month in de-sludging the VIPs. Plans are underway to formalize Blaauwbosch and considerable sewage flows are expected once the waterborne sewerage system is connected. A breakdown of the level of access to sanitation by municipal wards is indicated in the table below. 688 people said to be on the bucket system is a cause for concern and will be attendant to with immediate effect.

Table 19: Access to Sanitation by Electoral Wards

MUNICIPAL WARDS	NONE	FLUSH TOILET (CONNECTED TO SEWERAGE SYSTEM)	FLUSH TOILET (WITH SEPTIC TANK)	CHEMICAL TOILET	PIT TOILET WITH VENTILATION (VIP)	PIT TOILET WITHOUT VENTILATION	BUCKET TOILET	OTHER
Ward 1	168	456	343	87	136	1777	36	124
Ward 2	2	3259	14	-	2	-	2	2
Ward 3	19	2339	2	-	10	6	1	6
Ward 4	-	2802	9	-	15	4	-	5
Ward 5	2	2888	3	-	3	2	-	7
Ward 6	440	28	23	583	1577	1993	22	145
Ward 7	329	804	38	170	1151	891	241	4
Ward 8	21	1673	99	4	53	2	4	7
Ward 9	337	1917	52	128	702	546	10	32
Ward 10	62	2075	19	-	2	1	1	2
Ward 11	18	1649	42	283	9	122	7	372

MUNICIPAL WARDS	NONE	FLUSH TOILET (CONNECTED TO SEWERAGE SYSTEM)	FLUSH TOILET (WITH SEPTIC TANK)	CHEMICAL TOILET	PIT TOILET WITH VENTILATION (VIP)	PIT TOILET WITHOUT VENTILATION	BUCKET TOILET	OTHER
Ward 12	42	17	12	21	21	1580	2	137
Ward 13	7	1505	1	6	5	148	10	7
Ward 14	14	75	13	422	1180	1851	42	15
Ward 15	85	7	5	35	44	1868	7	163
Ward 16	156	18	12	28	91	2659	19	127
Ward 17	17	2169	17	1	3	138	28	37
Ward 18	65	333	49	160	143	1691	18	117
Ward 19	31	1006	20	559	253	617	3	17
Ward 20	68	3253	201	17	9	17	168	58
Ward 21	24	1970	240	127	88	620	4	25
Ward 22	2	1878	53	2	-	-	22	3
Ward 23	1	1608	270	2	1	12	6	39
Ward 24	17	2864	19	1	21	2	3	34
Ward 25	120	2444	10	4	14	1040	5	73
Ward 26	11	1600	2	-	-	1	-	3
Ward 27	6	1651	19	139	481	6	6	173
Ward 28	5	1643	10	1	2	-	-	-
Ward 29	36	1325	71	186	675	230	3	8
Ward 30	78	1724	18	118	328	383	13	57
Ward 31	115	54	18	897	817	707	3	16
Grand Total	**2298**	**47034**	**1705**	**3981**	**7836**	**18914**	**688**	**1816**

Source: Stats SA, 2011

3.5.2. WATER.

3.5.2.1. PLANNING FOR WATER SERVICES DELIVERY.

Although the NLM developed and adopted a Water Services Development Plan in 2009, last review (2013/14), planning for water infrastructure development has largely been project based and *adhoc*. The WSDP and various other strategic documents identify a number of critical issues. These range from issues of service backlogs through the capacity of the existing infrastructure to the sustainability of the infrastructure into the future. Critical issues that require attention in this regard include the following:-

- Preparation of a long term plan to guide investment in water infrastructure in the short to long term.
- Maintenance of the existing infrastructure.
- Funding for maintenance and new water infrastructure projects.

3.5.2.2. RAW WATER SOURCES.

The supply of raw water within the NLM is as follows:-

- The Buffalo River Abstraction Works through a 32km long 800mm diameter steel pipe to the Ngagane Water Purification Works. The average supply is 10 Ml/day;

- The Ngagane River Abstraction Works through a 1.5km long 600mm concrete lined steel pipe, which supplies an average of 20 Ml/day; and
- The Ntshingwayo Dam through two pipes, an 800 mm concrete pipe which is 18km long and a 700mm diameter steel pipe which is 13km long. Both of these supply a combined total of 92 Ml/day.

Ntshingwayo Dam, situated on the Ngagane River, has a storage capacity of 194 million m^3. The dam was raised during 1982 and cannot be augmented further to increase the system yield. An excess firm yield of 21 million m^3/a (57Ml/d) is available at Ntshingwayo Dam for further allocation to Newcastle which should be sufficient until 2017 at the present demand without any water conservation and water demand management initiatives being implemented. If these initiatives are implemented, this horizon could extend to 2023.

However, the current available yield from the Ntshingwayo Dam is not sufficient to support a major irrigation-based agricultural development. As such, water augmentation in the upper Buffalo system would be required in the time horizon 2015 – 2025 without any agricultural development because of the growth in the domestic and industrial demand within Newcastle. Therefore, the proposed Ncandu River Dam is not just the only viable option for increasing the system yield in order to support agricultural development, but it is also the only viable option to ensure continued economic growth for the Newcastle industrial and commercial sector beyond 2015 – 2030.

Table 10 below indicates the expected peak demand for the next 25 years with the expected shortfalls.

Table 20: Demand Forecast

Year	Peak demand (Ml/day)	Supply			Total	Surplus (shortage) (Ml/day)
		Ntshingwayo Dam	Ngagane river	Buffalo river		
2011	104	70	18	15	103	(1Ml/day)
2014	128	70	18	15	103	(25Ml/day)
2020	153	70	18	15	103	(50Ml/day)
2025	167	70	18	15	103	(64Ml/day)
2030	190	70	18	15	103	(87Ml/day)
2035	213	70	18	15	103	(110Ml/day)

From the table above it is evident that the bulk raw water supply is creating a bottleneck resulting in the plant not being able to meet the demand. Noting that, the installation of a

new supply line will take at least 3 years at which time the expected shortfall will be in the order of 25Ml/day. Therefore it is evident that the situation is in dire need of an intervention. This could be a conservative figure as the supply line to Utrecht is completed. New bulk infrastructure is being provided to supply water to a planned development called Viljoen Park. The Stafford Hill area, comprising of 8000 households, is also to be provided with water borne sanitation and plans are being finalised to commence a 3 phased high density development for JBC.

3.5.2.3. POTABLE WATER TREATMENT FACILITIES.

During February 2013, Newcastle was awarded with a **BLUE DROP** water status (quality) accolade. The town of Newcastle has three WTWs with two plants having recently been decommissioned. The Ngagane WTW is the only plant that is currently operational, and which is supplying treated water to the area. The Ngagane Water Treatment Works is located next to the Ngagane River on the south-eastern side of Newcastle and is operated by uThukela Water (Pty) Ltd on behalf of Newcastle Municipality. The total peak hydraulic design capacity of the Ngagane WTW is 105 Ml/d. The average annual flow rate of the WTW is estimated to be 103.3 Ml/d.

The average annual capacity of the water treatment works is not sufficient to meet the future water requirements (from 2012). An overall score of 95% is required to achieve a blue drop status. During 2010, UThukela Water achieved a score of 97%.

3.5.2.4. WATER SUPPLY AND RETICULATION.

Six pumping mains supply purified water to two bulk storage reservoirs, the Braakfontein and Hilldrop reservoirs. A combination of a 600mm diameter steel pipe, 375mm diameter asbestos cement pipe and 600 mm diameter GRP pipe supply the 78Ml Braakfontein reservoirs. The 29Ml Hilldrop Reservoirs are supplied through a 700mm steel pipe and 375mm asbestos cement pipe. Water from the Braakfontein reservoirs then feeds the following:-

- Stafford Hill and Madadeni through a combination of various pipe sizes ranging from 800mm diameter to 200mm diameter;
- 6Ml Blaauwbosch reservoir that in turn feeds Blaauwbosch;
- The Waterval Reservoir and Ngagane; and
- Osizweni Township through a 3.85km long 450mm diameter AC pipe. The pipeline splits into two lines, one serves the 6Ml reservoir at Blaauwbosch and the other serves the 2Ml tower at Osizweni.

The Hilldrop reservoirs feed the Newcastle CBD, the suburbs and industrial areas. The JBO Node is fed from the Braakfontein reservoirs. The average consumption for the whole of Newcastle is estimated at 75Ml/day. The consumption figures from the Braakfontein reservoirs are about 46Ml/day. The Braakfontein reservoirs therefore have adequate capacity for future expansion. The total unaccounted for water is very high and averages about 36%. Once this is addressed, additional capacity can be realized.

The increase in demand for the townships of Madadeni, Osizweni, Stafford Hill and Blaauwbosch including the Newcastle West area is necessitating the need for an additional 20Ml reservoir at the Hill drop reservoir site including an additional 45Ml reservoir for the Braakfontein reservoir site.

3.5.2.5. THE CONDITION OFWATER INFRASTRUCTURE.

The infrastructure in Newcastle East is in a fairly good condition which is more than what can be said about the condition of water infrastructure in the Newcastle West area which is mainly the CBD and surrounding suburbs. The area has aging asbestos networks which are resulting in high maintenance costs. The estimated capital investment required for this is in the order of R500 million rand. Investigations also need to be carried out in how to improve the pressure management in the Arbour Park, Lennoxton areas where low pressures are being experienced.

A new pumping main from Ngagane Plant to Braakfontein Reservoirs is needed. The existing two lines do have sufficient capacity for the medium term but require maintenance and to decommission one line to carryout repairs will result in inadequate supply owing to the insufficient storage capacity at Braakfontein reservoirs.

3.5.2.6. WATER LOSSES.

A preliminary assessment of the level of water use efficiency and the level of Non-Revenue Water (NRW) in the Newcastle Water Supply Scheme area indicated that the total system losses are high. It was estimated that the total Non-Revenue Water (NRW) in the supply area is a staggering 65%. The main areas of concern are Madadeni and Osizweni where water losses mainly from onsite leaks are resulting in losses of at least 26Ml/day. The average consumption per household in Madadeni is 44.6kl per month with almost zero payment and no credit control interventions. The situation is not any different in Osizweni where the total number of households is in the order of 27,200. An amount of R24 million has been approved by MIG to reduce the non-revenue water in Madadeni although a R150

million will be required to complete the programme. The programme will include the repair of private leaks and install flow regulators to each household in Madadeni and Osizweni thereby creating an additional 26Ml per day allowing a window period for the construction of the raw water supply line from Ntshingwayo dam to the Ngagane WTW and simultaneously increasing the capacity of the Ngagane WTW's. Without these interventions there will be insufficient water to supply for any new developments.

3.5.3. THE NEED FOR A NEW RAW WATER SOURCE: NCANDU DAM.

The proposed Ncandu River Dam is not just the only viable option for increasing the system yield in order to support agricultural development, but it is also the only viable option to ensure continued economic growth for the Newcastle industrial and commercial sector beyond 2015 – 2030. The current spatial development of NLM will determine its current demand for water supply. Growth and development will increase the demand for water supply in the future. Amongst other things the factors that will contribute to the growth in demand are as follows:-

- Population growth;
- Economic Growth;
- Spatial development;
- Increased level of service; and
- Development of new wet industries.

3.5.3.1. WATER DEMANDS ZONES.

According to the table below, Newcastle is divided into 5 demand zones and these are essential for greater clarity and insight as well as modelling accuracy. The demand zones are specifically identified through a combination of parameters such as:-

- Topography;
- Sewage and storm water drainage areas;
- Existing water and sewer infrastructure;
- Current spatial development profile; and
- Development potential.

Based on the table below, Newcastle Central has the highest residential demand for water at 64 489 (57.88%), followed by Newcastle East at 23 951 (21.49%) and Town at 18 948 (17.00%). In terms of the non-residential buildings, Town has the highest concentration of water demand at 1 272 (74.03%).

Table 21: NLM Water Demand Zones.

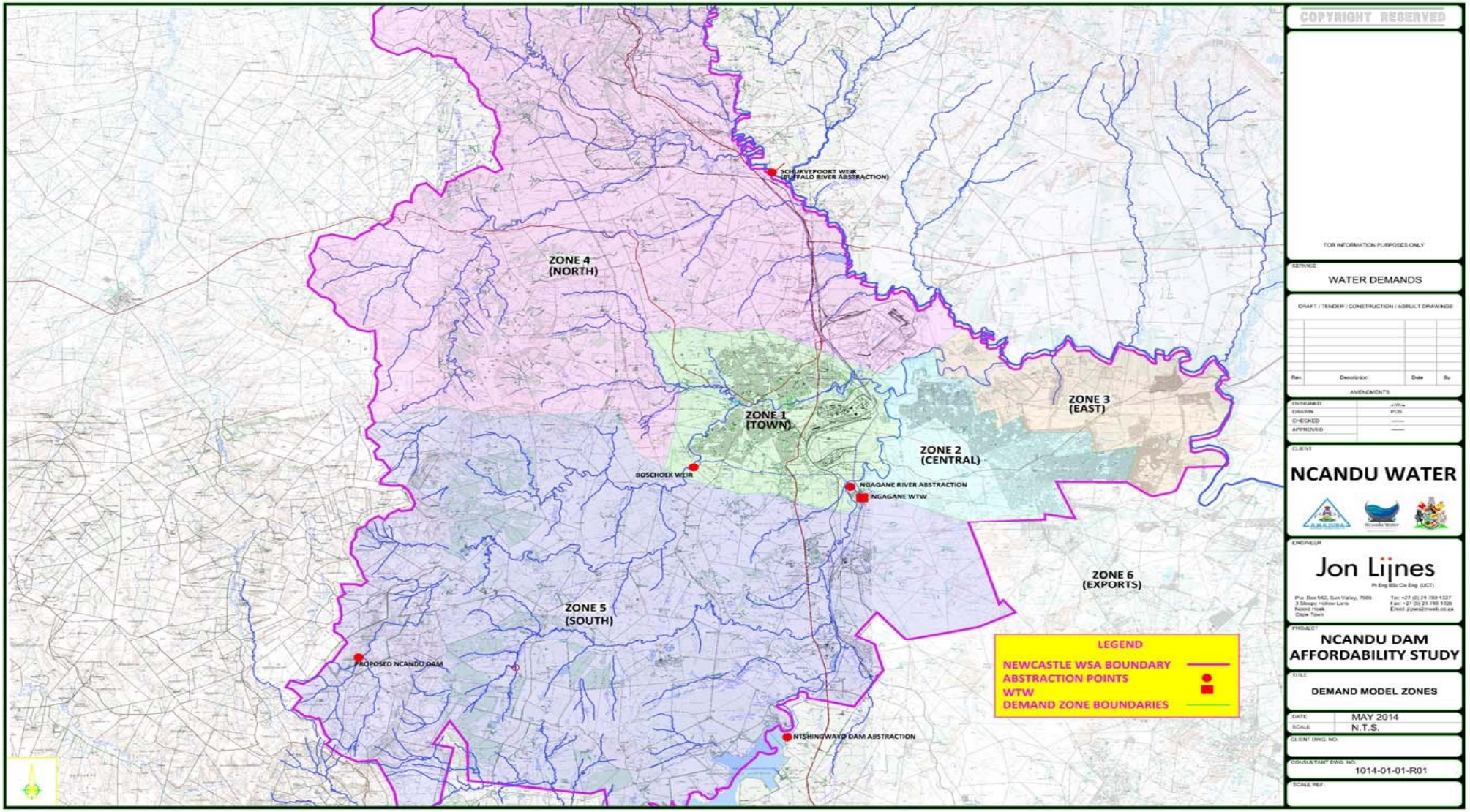
ZONE NUMBER	DEMAND ZONE NAME	RESIDENTIAL DWELLING	NON-RESIDENTIAL BUILDINGS
1.	TOWN	18 948	1 272
2.	CENTRAL	64 489	291
3.	EAST	23 951	17
4.	NORTH	1 747	113
5.	SOUTH	2 269	25
TOTAL:		111 402	1 718

Source: Ncandu Dam Affordability Study (2014).

3.5.3.2. RELIABILITY OF EXISTING RAW WATER SOURCES.

In terms of the existing water sources, it is important to note the following:-

- The yield of Ntshingwayo Dam has probably declined to the point where all allocated water rights cannot be exercised. This is due to silting-up of the dam, which thus continue to reduce the yield of the dam. Furthermore, the sluices of the dam are also reducing the dam's ability to reach maximum fill capacity of 90% hence further reducing the yield of the dam. In short, Ntshingwayo Dam has been operating in a stressed state for some time, despite average rainfalls within the catchment.
- Both the Ngagane and Buffalo rivers have run dry on a regular basis in the past decade. This has hampered upon NLM's ability to abstract its full allocation of water from these sources, which has exacerbated the existing water supply shortages.



Map 6: Demand Zones of Newcastle Local Municipality (Ncandu Dam Affordability Study – 2014).

3.5.3.3. NCANDU DAM.

It is assumed that the raw water and WTW losses should fall between 7.5% and 12.5% of the treated water supplied. This implies that the raw water supply required should be 10% or more on average than the demand to be supplied from the WTW. This loss is to allow for losses on the raw water supply system (scouring of pipelines, leaks, pipe breaks etc.) and the operational losses experienced at the WTW (backwashing of filters, de-sludging, cleaning of reservoirs etc.) The proposed Ncandu Dam, in conjunction with the current water sources, would ensure sufficient water for Newcastle for the foreseeable future, even if no water loss reduction program is implemented. The implementation of the water loss reduction program would achieve the reduction of recoverable losses by 70%, however, in a period of 10 years.

Table 22: Water Loss Reduction Program.

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Period Reduction	-	5%	5%	10%	15%	15%	15%	10%	10%	10%	5%
Cum Reduction	-	5%	10%	20%	35%	50%	65%	75%	85%	95%	100%

Source: Ncandu Dam Affordability Study (2014).

The table above depicts the average daily water demands that will be the resultant of successfully implementing the Water Loss Reduction Program. With the implementation of a loss reduction program, the existing sources would begin to become sufficient by 2018 and would then require supplementing by 2028. However, this is based on the expected scenario which is totally different from the High Demand Scenario whereby the existing resources are insufficient even with the implementation of a water loss reduction program. In light of the above it is therefore vividly clear that there is an urgent need for obtaining an additional water source in order to supplement the current sources of water. The provision of Ncandu Dam would ensure sufficient water for Newcastle well beyond 2034 with the implementation of the water loss program.

3.5.4. SANITATION.

NLM face a number of challenges with regard to sanitation. One of the main problems is the need for a sewer master plan, which will enable the municipality to plan for future developments including addressing the backlogs in basic sanitation services. Other areas of concern are the lack of adequate sewer systems for 13 481 households that do not have waterborne sanitation. This need is especially evident in the MBO area.

3.5.4.1. CONDITION OF EXISTING INFRASTRUCTURE.

The absence of a Sewer Master plan does not allow for effective forward planning with regards to the impact of new developments and future areas to be provided with water borne sanitation. The new areas to be developed include Blaauwbosch and Viljoen Park. Stafford Hill has been provided with sewer reticulation where 8,000 existing VIP toilets are to be converted to flush toilets. Madadeni has water borne sanitation for all 15,000 households although the structures of 5,000 households are dilapidated and flush into the old conservancy tank system with the overflow of the tank connected to the sewer connection.

In many cases the contents of the tank is exposed and a health hazard. The existing networks are in a fairly good condition with infiltration into the groundwater not seen as a problem. The reticulation in the higher income areas such as Aviary Hill is operating at full capacity as the density of the area increases, exceeding the maximum design flows of the networks. Investigations revealed that there were two properties in Lennoxton being serviced by the old bucket system. Septic tanks have since been provided for these properties.

3.5.4.2. WASTE WATER TREATMENT WORKS.

The waste water and sewage from the Newcastle Municipality is currently treated at three major plants:

- **Newcastle (KwaMathukuza) Waste Water Treatment Plant:** The works currently serves the Newcastle Central Business District, the industrial and surrounding areas. The works has a design capacity of 25 Ml/day and is currently running at 20 Ml/day Average Dry Weather Flow. The Works have a spare capacity of 5 Ml/day and will serve future housing developments at Viljoen Park and Tuam Farm.
- **Osizweni Waste Water Treatment Plant:** The Works' catchment is the greater Osizweni Township and the surroundings. The current capacity of the Works is 14 Ml/day and the current hydraulic loading is 15 Ml/day. The Works is currently running at capacity in terms of hydraulic loading, but the biological loading is below design capacity.
- **Madadeni Waste Water Treatment Works:** The catchment area for Madadeni WWTW is the Madadeni Township, Ithala Industrial area, and the surrounding areas.

The design hydraulic loading is 12 Ml/day. The Works are currently operating at 15Ml/day. However, during the wet season, the flows peak at between 25Ml/day to 30Ml/day due to high infiltration. Plans are underway to increase the hydraulic capacity to 35Ml/day. The

project is scheduled for 2010. It is envisaged that future flows from Blaauwbosch, Johnstown and Cavan will be directed to Madadeni WWTW.

3.5.5. ELECTRICITY AND POWER SUPPLY.

3.5.5.1. SOURCES OF ENERGY.

Eskom supplies in the order of 125,000 KVA per month. An alternative energy source is provided by International Power South Africa (IPSA) from gas turbines. IPSA has resumed operations at its cogeneration plant at Newcastle. The 18MW combined heat and power plant is now supplying electricity to the national grid under a medium-term power purchase agreement with Eskom dated 26 August 2010.IPSA has successfully restarted operations at its cogeneration plant at Newcastle, following a final agreement on a gas supply contract with Spring Lights Gas. According to ESKOM, there is limited capacity in the Newcastle East to accommodate the planned housing and commercial development.

3.5.5.2. RETICULATION.

The municipality manages the electricity networks for the Newcastle West area (the CBD and surrounding suburbs). The outlaying townships and rural areas are supplied by Eskom. The electricity backlog in NLM is estimated at 11.3%. In terms of electricity issues, the need to investigate pre-paid electricity in Newcastle license area is highlighted. Electricity metering and billing also needs to be addressed and is a priority for the municipality, as this will ensure the accuracy of consumer accounts. There is no electricity master plan and therefore long term planning is not in place from a capacity point of view. Electricity losses are currently estimated at 9%.Currently, Eskom is undertaking a study which will indicate the energy capacity required for NLM if we are to pursue with future developments. In addition, the Newcastle Municipality is investigating the viability of installing solar system in Normandien and some parts of Ingogo (portions where MV lines are far from houses). These areas were identified for non-grid electricity due to their locations and extreme high cost of building electrical infrastructure. The Department of Energy is keen to fund these projects.

The municipality sells about 93.5% of the bulk electricity that is purchased from Eskom while 6.5% run at a lost. In order to remedy the situation the municipality has begun with the auditing of electricity meters and the process is estimated to be completed by end of June 2012. Hence, the issue of smart-meters is envisaged as a catalytic solution into this electricity loss challenges. However, it must be noted that the installation of smart-meters will cost the NLM an estimated amount of 80 million. In an attempt to address electricity backlogs, there are a number of ongoing electrification projects in the municipality. There

are also a number of housing development projects where the project is implemented by the local municipality but are situated in the ESKOM area of supply. As such, close coordination and cooperation between these two entities are required. There are plans underway to take over the Eskom licensed areas in the East such as Madadeni and Osizweni in order to increase the revenue for the municipality. Provisions for capacity challenges are being addressed through the revised organogram in order to establish a new electricity department separated from Technical Services.

3.5.5.3. FREE BASIC ELECTRICITY.

Another challenge is the roll out of Free Basic Electricity within the ESKOM license area, which is problematic due to systems compatibility with both electricity providers. Further to this, maintenance, upgrade and rehabilitation of electricity infrastructure through the ring-fencing of the function for the transfer to RED's, is identified as an important issue.

In terms of national government mandate, NLM is meant to provide 50Kw of free basic electricity to indigent households including areas licensed under Eskom. Currently, there are people registered as indigents who qualify for free basic electricity. This cost the municipality the estimated amount of over R5 million per annum.

There are a number of on-going electrification projects in the municipality especially in rural areas. These include Bosworth at about 379 households, Drycut which is about 573 households, Roypoint at about 100 households and Charlestown at about 115 households.

Table 23: Access to energy for Cooking.

	No. of Households
Electricity	69800
Gas	1881
Paraffin	6398
Wood	2862
Coal	2680
Animal dung	248
Solar	115
Other	60
None	229
Unspecified	-
Not applicable	-
Grand Total	84272

Table 24: Access to energy for Heating.

	No. of Households
Electricity	57864
Gas	1624
Paraffin	2663
Wood	4463
Coal	7392
Animal dung	420
Solar	131
Other	13
None	9701
Unspecified	-
Not applicable	-
Grand Total	84272

Table 25: Access to energy for Lighting.

	No. of Households
Electricity	73449
Gas	402
Paraffin	629
Candles (not a valid option)	9343
Solar	147
None	302
Unspecified	-
Not applicable	-
Grand Total	84272

Source: Stats SA, 2011

Source: Stats SA, 2011

Source: Stats SA, 2011

Map 1: Newcastle Municipality Capital Projects - Electrical Services (Source: NLM Final SDF 2014/15).



The map above is depicting the capital projects that were initiated by the Department: Electrical Services in the 2014/15 financial year. The projects include, amongst other things, projects towards rural electrification, upgrading of the current level of electricity provision in some settlements such as Siyahlala La, the provision of street lighting, and also service connections. In terms the rural electrification projects, the beneficiaries are the Roypoint Settlement, and the Amajuba Forest in naming just a few. A number of wards are to receive street lighting LED retrofits and these include wards in both Madadeni and Osizweni such as ward 9 and ward 28.

3.5.6. ROADS, STORMWATER AND PUBLIC TRANSPORT.

3.5.6.1. ROADS.

In terms of road infrastructure, 91% of all roads in Newcastle are in a poor state, of which 732km are unpaved. In an attempt to address this, the municipality has intensified their roads programs over the past 5 years, which addresses primary and secondary roads. The IDP also indicates that the operational budget has significantly increased during this time to ensure minor maintenance through grading and storm-water clearance. A total of 34kms was upgraded over the last five years. The MBO is a priority area for road upgrading.

3.5.6.2. STORMWATER.

There is no storm water master plan resulting in *adhoc* projects being identified where complaints are received. Problems are being experienced in the CBD area where concrete pipes are collapsing owing to fatigue from heavy traffic loads. Victoria Mall area has been identified as a problem area as flooding of private property is occurring at various low points. Magnolia Street has insufficient storm water infrastructure and also has been identified as a priority. Storm water damage to the environment is receiving little attention with soil erosion progressing unabated in certain area. Similarly, MBO has been identified as a priority for storm water development and upgrading given the lack of service in this area.

3.5.6.3. PUBLIC TRANSPORT.

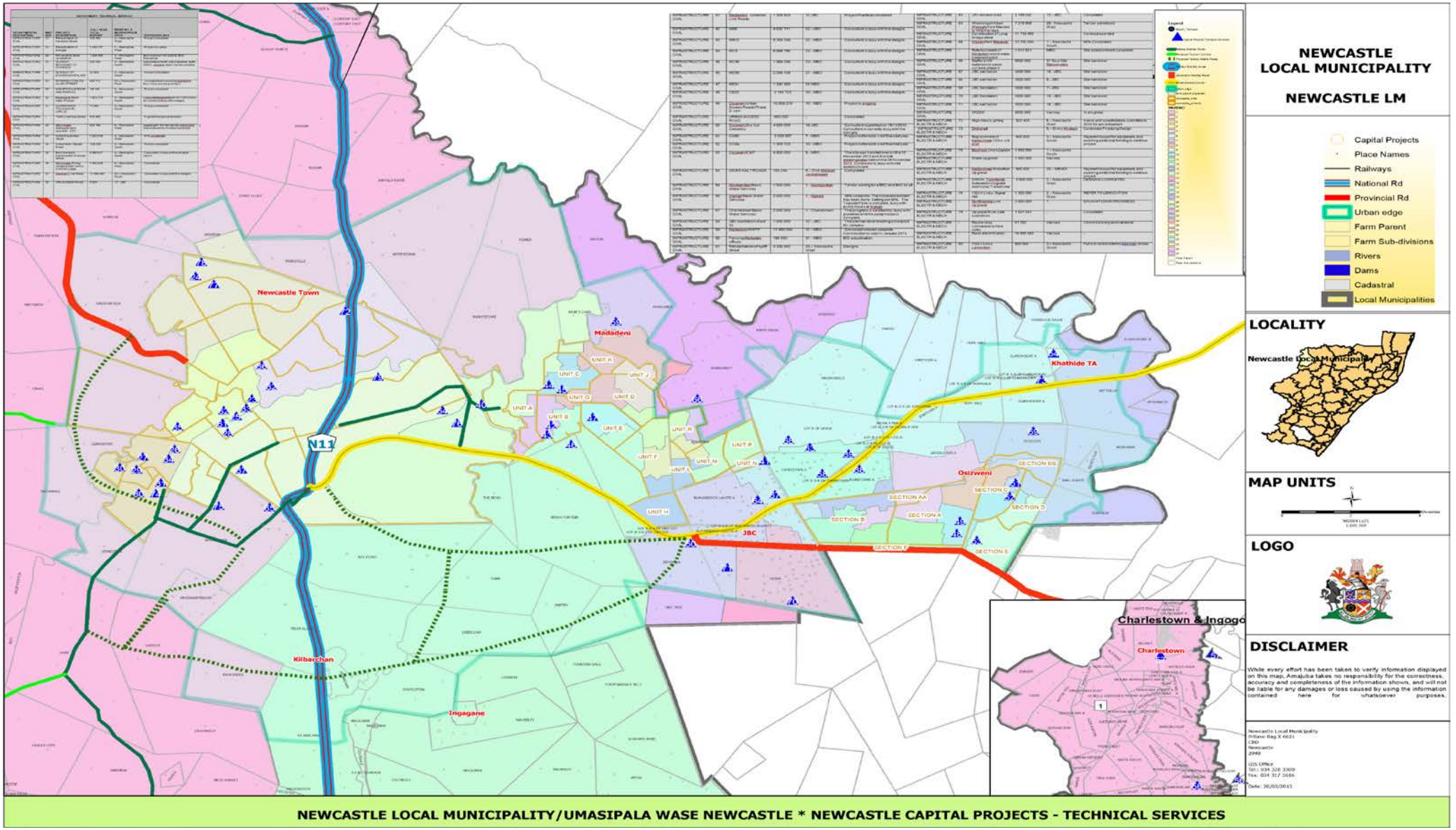
The majority of public transport facilities in the Newcastle Municipality area is informal and requires serious upgrading. Table 12 below provides a summary of the state of the existing public transport facilities audited in Newcastle.

Table 26: Taxi Ranks

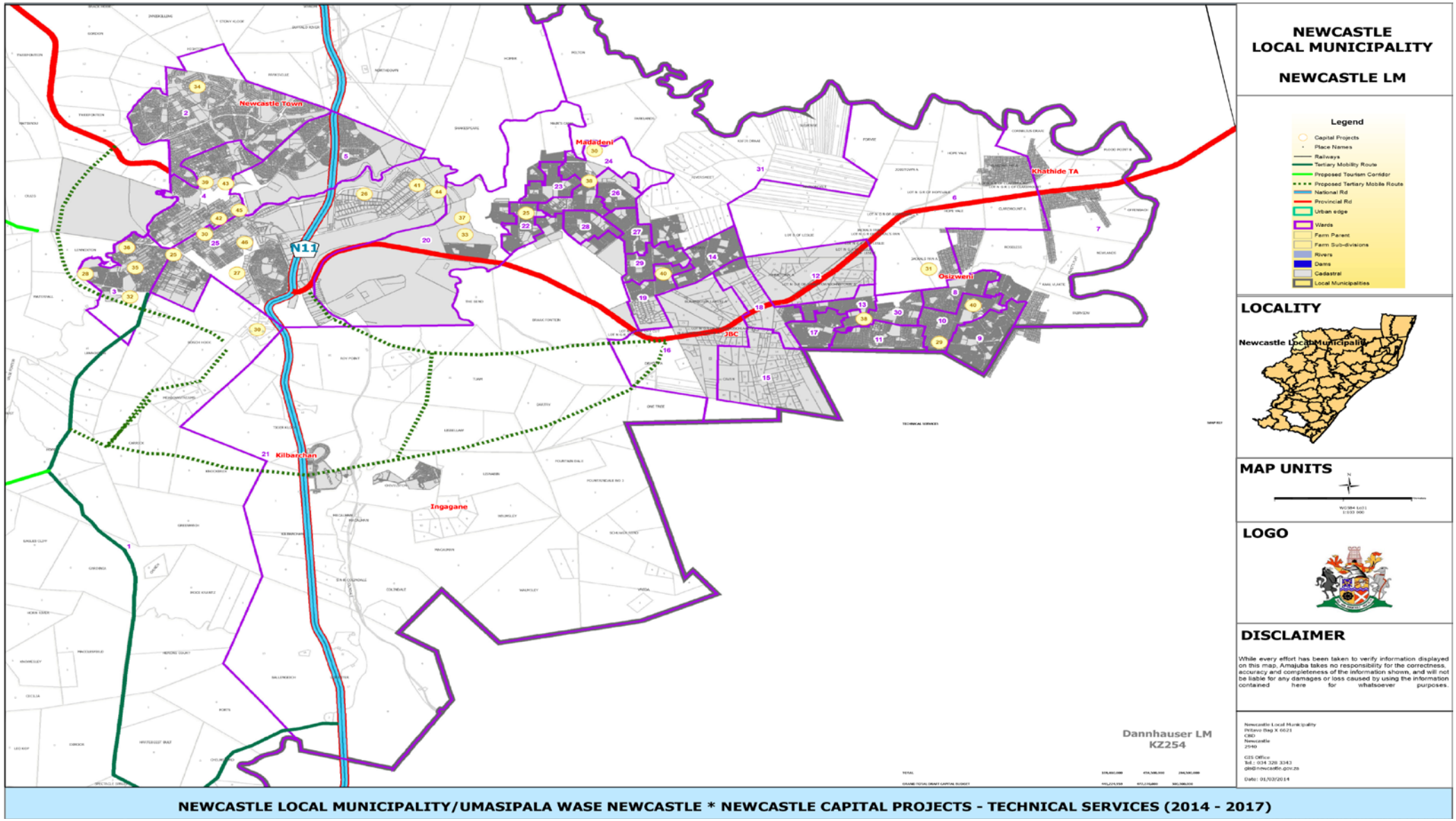
FACILITY NAME – TAXI RANKS.	STATUS	OWNERSHIP	LOCATION
Osizweni Formal Taxi Rank	Formal	Municipal	Off Street

FACILITY NAME – TAXI RANKS.	STATUS	OWNERSHIP	LOCATION
Makhanya Informal Taxi Rank	Informal	Municipal	On street
Top Rank Informal Taxi Rank	Informal	Municipal	On street
9 Mile Informal Taxi Rank	Informal	Municipal	Off Street
Moyomuhle Informal Taxi Rank	Informal	Municipal	Off Street
Madadeni Sec 4&5 Informal Taxi Rank	Informal	Municipal	Off Street
Madadeni Shoprite Checkers Informal Taxi Rank	Formal	Municipal	Off Street
Madadeni Court Informal Taxi Rank	Informal	Municipal	Off Street
Newcastle Formal Taxi Rank	Formal	Municipal	Off Street
Charlestown Informal Minibus-Taxi Rank	Informal	Municipal	Off Street
Ingogo Informal Minibus-Taxi Rank	Informal	Municipal	Off Street
Macadam Informal Bus Rank	Informal	Municipal	Off Street
Newcastle Formal Bus Rank	Formal	Municipal	Off Street

57% (203,9km) of roads in Newcastle being utilised by the public transport industry is unsurfaced. The highest number of vehicles in Amajuba is on the N11 south of Newcastle with high traffic volumes on the main provincial road P483 between Newcastle, Madadeni and Osizweni. TheN11 between the P204 (turn-off to Dannhauser) and Newcastle carries in excess of 10 000 vehicles per day while the P483 carries between 5 000 and 10 000 vehicles per day. Specific recommendations regarding upgrading of facilities, development of transport corridors etc. to meet the demand of public transport is highlighted in the PTP.



Map 2: Newcastle Municipality Capital Projects 1 - Technical Services (Source: NLM Final SDF 2014/15).



Map 3: Newcastle Municipality Capital Projects 2 - Technical Services (Source: NLM Final SDF 2014/15).

3.5.7. SOLID WASTE MANAGEMENT.

3.5.7.1. CURRENT WASTE GENERATION.

The Integrated Waste Management Plan (IWMP) of the Newcastle Municipality has been recently developed and is essential for the management of municipal solid waste (MSW). During the year 2004, a survey of landfill sites which was conducted by SiVEST from the Amajuba District Municipality, on behalf of the Provincial Planning and Development Commission, estimated that approximately 4 460 tons of waste was being disposed-off to the landfill every month making it approximately 53 520 tons/year based on estimates provided by NLM.

The IWMP from the Amajuba District Municipality (2003) estimates that approximately 103.3 tons and 79.6 tons of waste were generated from the Newcastle West and Newcastle East areas respectively per day for the year 2005. This implies a total of 182.9 tons per day for the combined area which is approximately 66 785.5 tons for the whole of 2005. Capita Waste Projections are used in order to quantify the amount of waste generated within Newcastle Municipality.

In terms of the KZN Department of Agriculture and Environmental Affairs, the following rates regarding the amount of waste generated within the Newcastle Municipality have been assumed:-

- Very poor areas (farm lands) – 0.03kg/person/day;
- Middle income – 0.35kg/person/day; and
- Middle to high income – 0.61kg/person/day.

With regards to the segments of the population that are designated as institutions, an average waste generation rate of 0.35kg/person/day is assumed.

3.5.7.2. CURRENT WASTE COLLECTION.

Based on the figures presented on *Table 20* below, it is notable that a high majority of households within the Newcastle's jurisdictional area (71.04%) have their refuse being removed by the local authority/private company at least once a week. This is followed by households who are in possession of their own refuse dump and they constitute 23.21% of

the total number of households. A very low percentage (3.91%) of the total number of households within Newcastle does not have access to rubbish disposal.

Table 27: Refuse disposal for households in Newcastle.

Type of service	No. of Households	%
Removed by local authority/private company at least once a week	59 868	71.04%
Removed by local authority/private company less often	321	0.38%
Communal refuse dump	775	0.92%
Own refuse dump	19 564	23.21%
No rubbish disposal	3 300	3.91%
Other	444	0.54%
Unspecified	-	-
Not applicable	-	-
Grand Total:	**84 272**	**100%**

Source: Stats SA, 2011

3.5.7.3. LANDFILL SITE.

The refuse removal service caters for Newcastle West and Madadeni/Osizweni area. The majority of the households in Newcastle (71.04%) have access to refuse removal by the local authority/private company at least once a week which may be deemed as adequate refuse removal services. About 24.5% of the total number of households within Newcastle have access to inadequate levels of refuse removal services which ranges from households with only access to communal dumps, those that have access to their own refuse dump, and those that have their refuse being removed by the local authority less often. 3.91% of the total number of households have no access to any form of refuse removal what-so-ever. It is projected that per day waste generation will increase to 123.9 tons in the Newcastle West area and 97 tons in the Newcastle East area in 2015. The projected growth is linked to the projected population growth, and emphasises a need for environmentally friendly waste management practices.

The Newcastle Waste Disposal Site (WDS) is nearing the end of its lifespan and the process for developing a new disposal site is well underway with operations on the current waste disposal site projected to close in the year 2017. The current waste disposal site has been in operation since the year 1971 even though the operating permit was obtained in 1994. According to the permit, the site is a Class 2 disposal site.

The current waste disposal site accepts the following waste streams:-

- Domestic waste;
- Garden waste;
- Construction waste; and
- Commercial waste.

Commercial waste includes the waste that is generated by retail outlets and other related establishments. The waste disposal site also accepts hazardous waste discarded as part of the general waste stream in the form of oil cans from petrol stations, batteries, weedkillers etc. However, relatively small quantities thereof and their co-disposal with general waste reduces their concentration and consequently their significance.

In terms of the operation of the waste disposal site, the trench method is used whereby waste is deposited in large excavations for landfill purposes. Daily cover material of 150mm is spread over the waste and compacted according to the motivation report for the operating permit application. Each cell is covered with a 1 meter depth of soil after it is filled with waste.

There is no formal pipework for leachate collection within each cell. Polluted and unpolluted stormwater runoff is collected in a cut of trench downstream of the waste pile. The cut off trench is unlined, and flows to a retention pond at the southern end of the site. The pond is not fenced off and is also unlined. Unpolluted stormwater emanating upstream of the site is collected via the road drainage system and does not flow onto the site. Three existing groundwater monitoring boreholes were present on the site. Two are operational whereas one is not functional.

3.5.7.4. ILLEGAL DUMPING.

The result of illegal dumping affects the other service sectors, as the illegally dumped waste blocks up storm water drains/manholes, which in turn results in damages to road infrastructure as water builds up at low points and causes flooding. The existing vehicle fleet managing waste of the municipality is satisfactory except for the vehicle used for the clearing of illegal waste which is old and has high maintenance costs. There is a need for law enforcement with regards to the illegal dumping and enforcement of bylaws.

3.5.8. EDUCATION FACILITIES.

Access to education facilities seems to be generally good. The municipality is developed with about 118 schools including both primary and secondary schools. This can be broken down further as follows:

- 10 combined schools;
- 12 junior primary schools;
- 7 senior primary schools;

- 55 primary schools;
- 34 secondary schools.

The average size of schools, taking into consideration the amount of the population of a school going age, is 995. Planning standards for education facilities reveal that in terms of threshold, NLM should have between 90 and 120 primary schools to accommodate the population size. There is thus a need for additional primary schools.

Table 28: Planning Standards for Educational Facilities

Facility	Catchment population	Distance & Walking time	Location factors	Teacher/children ratio
Primary schools	3 000-4000	1.5km of 30min	Walking distance-1.5km	1:40
Secondary schools	6 000-10 000	5km	Located on public transport route	1:40

Source: Provincial Planning & Development Commission

The application of planning standards in respect of secondary schools indicates that between 36 and 60 secondary schools are needed. The number of schools in the area seems to be adequate, but the quality of each facility and the teacher pupil ratios are important aspects which must be borne in mind for future planning and development in the area.

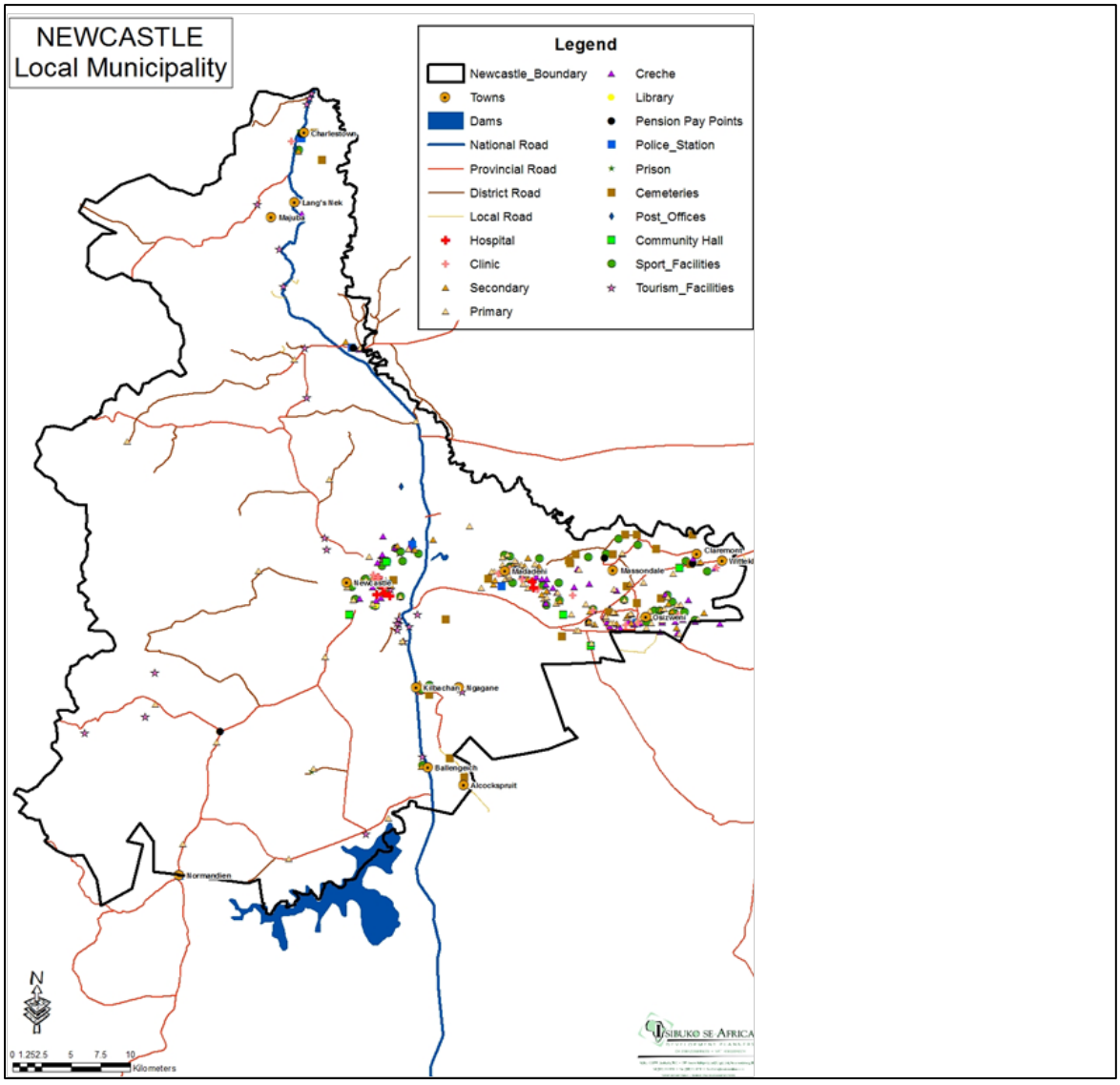
Tertiary education facilities include the old Madadeni College of Education (which is now used as a College for Further Education and Training), the Majuba FET (Newtech Campus), Majuba College FET, and Majuba FETC (MTC Campus).

There are approximately 48 early childhood educational facilities within NLM, which is spread throughout the municipal area. The crèches in the area operate from either a dedicated facility, community facility or a home.

3.5.9. HEALTH INSTITUTIONS.

There are approximately twelve mobile clinics that serve the municipality and 10 permanent clinics. The backlog is mainly in the Newcastle East where the majority of the population lives. At least two hospitals are found within Newcastle Municipality. One if located in town while the other is in Madadeni Township. While Madadeni Hospital serves the district function, Newcastle Hospital is classified as a Provincial Hospital and provides service to the whole of Amajuba District and the surrounding areas.

Figure 21: Public Facilities.



Emergency Rescue Services (EMRS) is located in Madadeni. The Newcastle Private Hospital is the only private hospital within the municipal area.

Table 29: Planning Standards for Health Facilities.

Facility	Catchment population	Distance & Walking time	Location factors
Mobile clinic	<5 000	1km / 20min	Located on public transport routes and near taxi and bus ranks and shops.
Clinic	Small:5 000-10 000 Large: 30 000-50 000	1km / 20min	
Community health centre	70 000-100 000		
Hospital	10 000-80 000	2km(40min) / 5km	

Source: Provincial Planning & Development Commission.

3.5.10. SPORTS FACILITIES.

Newcastle municipality has a total of 4 sports complexes, namely Paradise Playgrounds, Phelandaba Playgrounds, Fairleigh and Amajuba Sports Complex. In addition, there is the K.R. Rumelin Stadium, 18 sports fields and the Newcastle Swimming Pool. Newcastle East, particularly JBC and the surrounding settlements are poorly provided with sports facilities. Urban renewal programme in the JBC, and infrastructure upgrading in the MBO areas should prioritise the provision of adequate sports facilities. Parks and play lots should also be prioritised in these areas. The age structure of the population and the dominance of the youth support this assertion.

The municipality is in the process to revamp the Phelandaba sport field thereby providing a range of sporting codes including the soccer field, race track for athletics, volley ball and netball. This project has begun with the development of a swimming pool which will cater for the residents of Madadeni and surrounding areas. The same project will be done in Osizweni in the future years. It is anticipated that these kinds of projects will assist in attracting the youth into the sport while building the healthy communities.

3.5.11. POLICE STATIONS.

There are seven permanent police stations in NLM and one satellite station. Services offered range from child protection, serving the community and domestic violence. Newcastle has four libraries, located in its area of jurisdiction, namely the Newcastle Public library, Osizweni, Madadeni and Fairleigh. Newcastle Municipality participates in crime policing forums through the Office of the Speaker. The NLM is in the process of installing the CCV cameras to the CBD, industrial areas, and suburbs and in the townships of Madadeni and Osizweni in order to fight against crime. Special attention is given to hot spot crime zones identified by the SAPS through the installation of high mast lights. These include Eskom licensed areas in the townships and rural areas. The objective is to have a free crime municipality whereby all residents enjoy their lives without fear or intimidation.

3.5.12. LIBRARIES.

A main library is located in town while satellite libraries are found in outlying areas such as Madadeni and Osizweni. Provision of libraries in the Newcastle East should be prioritised given the structure of the population and lack of such facilities in the area. Newcastle Municipality has a challenge of maintaining the CBD as a main administrative centre thereby catering sufficient facilities. A need has been identified to expand the main library or developed a cultural precinct which includes a theatre, museum and library next to the civic

centre. Satellite libraries are also considered as a priority for the municipality especially in the rural areas like Charlestown and JBC area. The plans and consultation with the Department of Arts and Culture are underway in order to secure funding for these projects.

Amajuba FET is currently exhibiting positive signs of growth hence posing a challenge to the municipality in terms of the provision of a fully established library centre around the Madadeni area and a satellite library in the Newcastle West area which will specifically cater for engineering and science needs. The proposed 2 libraries will assist thus to decrease the transportation costs for the students of the Amajuba FET.

3.5.13. COMMUNITY HALLS.

The municipal area has a total number of nine community halls. Two of these are administered by the district municipality, while the other seven are administered by NLM, namely;

- Madadeni Community Hall;
- Osizweni Community Hall;
- Charlestown Community Hall;
- Richview Community Hall;
- Fairleigh Community Hall;
- Newcastle Farmers Hall; and
- Newcastle Town Hall.

There is a need for additional about 16 halls based on the size and geographic spread of the population. At the moment the majority of the ward Councillors are using the tents to convene their public meetings. This is not financially viable as the price for the hiring of tents is becoming exorbitant. Development of multi-use community facilities which may serve as pension-pay-points, indoor sports facility and place of assembly should be investigated. In view of the above, Newcastle Municipality is investing R14 million towards the construction of Blaauwbosch Multi-purpose Centre/Service Delivery Centre (SDC).

3.5.14. CEMETERIES.

Access to burial facilities is one of the key challenges facing the Newcastle Municipality. There are 27 cemeteries (8 formal or registered and 19 informal burial sites). Registered cemeteries include 3 cemeteries in Charlestown, Roy Point cemetery, Cavan, (Drycut), Newcastle cemetery, Osizweni and Madadeni cemeteries. One of the unregistered

cemeteries is Ngagane cemetery to the south of the Newcastle town. However, only two formal cemeteries are in operation, namely RoyPoint and Drycut cemeteries.

Although Drycut Cemetery was properly planned and laid out, it appears that the plan has not been followed. As a result, some graves are located in environmentally sensitive areas, and the facility remains poorly developed. This facility is currently the main cemetery that services the eastern parts of the NLM.

Similarly, the Roy Point Cemetery which serves as a regional facility for the whole of Newcastle and beyond is also fast approaching capacity clearly indicating a need for the identification and development of anew cemetery for the area. Cemeteries in Madadeni and Osizweni have been closed due to unfavourable geological conditions (high water table), as a result the municipality has undertaken the extension of the Roy Point cemetery through the relevant processes.

In response to the above cemetery challenges, the Newcastle Municipality commissioned an investigation of identifying new suitable sites for cemeteries. The project was initially set to be completed by September 2012 and the planning exercise was to begin with the implementation of the Environmental Impact Assessment (EIA), and other processes.

3.5.15. SUSTAINABLE HUMAN SETTLEMENTS.

According to the Vancouver Declaration (1976), 'Human Settlements' are defined as "the totality of the human community - whether city, town or village - with all the social, material, organizational, spiritual and cultural elements that sustain it. The fabric of human settlements consists of physical elements and services to which these elements provide the material support."

The physical elements entail the following:-

- Improved access to shelter (a house);
- Improved access to basic services;
- Upgrading of land tenure rights;
- Improved access to social facilities and services;
- Affirmation of the integrity and dignity of the settlement beneficiaries;
- Actions towards unlocking the economic development potential of the settlement; and
- Improved access to amenities.

The Newcastle Municipality Housing Sector Plan was adopted by Council in 2010. It provides an analysis of the housing situation within the municipality and outlines strategies to address the backlog and the associated housing problems. It clearly indicates the growth of the urban core and the need to accommodate the ever increasing demand for housing. The result of the ever increasing demand for housing has been the spawn of informal settlements or back-yard shacks. However, this plan is now outdated as it predates the introduction of a new national housing policy and does not provide sufficient guidance towards the development of sustainable urban human settlements.

3.5.15.1. HOUSING NEED.

In terms of the housing typologies within the NLM, in the year 2001 77.77% (55 941) of the total number of households were formal housing typologies and this increased drastically in the year 2011 to 88.63% (74 693) marking a 10.86% increase at an annual growth rate of 1.08%. In the year 2001 traditional housing units and informal housing units accounted for 6.40% (4 607) and 9.55% (6 870) respectively. In the year 2011 we saw a positive decrease in the number of traditional housing units and informal housing units to 3.13% (2 642) and 5.29% (4 459) respectively. The census data does not provide information regarding the type and quality of houses. However, it is evident that a large number of people in the eastern part of the NLM reside in houses that are substandard. The total number of households in the NLM is 84 272 and from the total number of households, 4 451 households are informal settlements that are in need of formal housing. On the contrary, the number of people who reside in informal settlements, back yard shacks and other substandard housing units has declined substantially.

Table 30: Typology of main dwelling for households in Newcastle.

Type of main dwelling	2001	2011
House or brick/concrete block structure on a separate stand or yard or on a farm	45 692	71 132
Traditional dwelling/hut/structure made of traditional materials	4 607	2 642
Flat or apartment in a block of flats	6 781	2 167
Cluster house in complex	2 746	361
Townhouse (semi-detached house in a complex)	-	666
Semi-detached house	-	209
House/flat/room in backyard	3 454	2 099
Informal dwelling (shack; in backyard)	2 923	1 892
Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	3 947	2 567
Room/flatlet on a property or larger dwelling/servants quarters/granny flat	772	158
Caravan/tent	207	56
Other	-	323
Unspecified	-	-
Not applicable	-	-
Private ship/boat	30	-
Not applicable (living quarters is not housing unit)	767	-
Grand Total:	**71 926**	**84 272**

Source: Stats SA Census Data (2001 & 2011).

Furthermore, 95% of the total population resides in the urban part of the municipality. Nearly, 60% (195 216) of Newcastle Municipality's population resides within the eastern settlements along P483. These include the townships of Madadeni and Osizweni, the peri-urban settlements of Johnston, Blaauwbosch and Cavan, and the rural settlements of Khathide and AmaHlubi. Rural areas, dominated mainly by the extensive agricultural farms, account for only 5% of the population. It, therefore, follows that the housing need in the Newcastle Municipal area is concentrated in the urban areas, and occurs as follows:-

- Informal settlements located in close proximity to Newcastle Town: This entails settlements such as Siyahlalala which indicate a need to create housing opportunities close to areas with higher concentration of employment opportunities.
- Peri-urban settlements located in the JBC area: The area is poorly provided with basic services and public facilities, yet is one of the areas that have experienced high levels of population growth over the last few years.
- Settlements located within the Ubuhlebomzinyathi area: this area is rapidly degenerating into urban slums. The majority of these are located to the north of the Osizweni Township and the JBC area.
- Organized land invasion in areas such as Tuam Farm: Again this serves to highlight a need to create settlement opportunities closer to employment opportunities.

Other areas that require attention in terms of the development of sustainable human settlements include the following:

- Charlestown area which includes both tenants and informal areas.
- Small mining towns, the majority of which are located along the southern boundary of the municipality.
- Isolated settlements located on agricultural land such as Ingogo.
- Settlements being established in terms of various elements of the land reform programme.

According to the Housing Sector Plan the estimated housing backlog, based on the income profile of the population residing within the NLM jurisdictional area, is sitting at approximately 74 981 households (88.97%). These are basically the households that are eligible for a housing subsidy based on the 2011 Census Data. The housing sector plan further estimates housing backlog at between 19 000 and 30 000 units and a Housing Waiting list of 35 000 people. However, the waiting list has not been updated thus to cater for the changing circumstances of those who are in the waiting list. There's also a large number of forms which have not yet been captured into the database.

The current projects indicated in the HSP, suggests that the majority of housing need is in the Madadeni/Osizweni (MBO) and JBC complex, which is currently expanding outwards. The housing need is evident in the quality of the existing structure, poor access to basic services and unsecured land tenure. It also relates to the consequences and impact of urbanization and the inflow of people into the urban areas of Newcastle. In order to address the housing need the MBO complex and Newcastle town need to be integrated and the quadrant between P483 and the N11 must be unlocked for housing development.

3.5.15.2. HOUSING DELIVERY.

In stark contrast to the huge demand, Newcastle housing delivery was last done in the past 10 years and delays have been experienced to get housing projects approved and delivered timeously. However, concentrated efforts have been made by the municipality to deliver housing as per the constitutional mandate. The approved pipeline projects are as follows:-

Project Name	Implementing Agent	Project Approval Date (yyyy/mm/dd)	Total Units/ Total Contractual Target	Approved Project Budget (In total) R'000	Planned Number Of Houses
Osizweni E Housing Project Phase II	Lekwa	8-Nov-12	1,240	91, 760	195
Osizweni E Housing Project Phase III	Amehlo Wesizwe	2013 June	670	49, 580	195
Siyahlala-la Housing Project	Umpheme	2014 April	1,205	193, 490	60
Emawozeni Housing Project	Moteko	2015 Jan	100	16,057	10
Khathide Rural Housing Project Phase 2	Siyamthanda	2013 June	2,000	`149,464	260
Madadeni Disaster Housing Project	Mageba Projects	2015 June	2,215	93,030	-
Madadeni H39	Mageba Projects	2015 April	890	148,208	0
Ubuhlebomzinyanathi Rural Housing Project	Ntokozweni Developers	2015 April	2,500	277,367	80
Charlestown Housing Project	Dovecall	2015 June	1,500	240,859	30

Future housing projects should go beyond the delivery of housing units and focus on the creation of sustainable communities and settlements. This includes improving access to basic services, social/public facilities and creating opportunities for economic development. The municipality has submitted an application to the Department of Human Settlements for Community Residential Units in Fairley, Central along N11 and social housing next to the private hospital. It is hoped that these housing developments will play a significant role in assisting the municipality to alleviate housing shortages.

3.5.15.3. RENTAL HOUSING STOCK.

The KZN Department of Human Settlements through the Social Housing Regulatory Authority has called in all municipalities in the province to submit proposals for the identification and delineation of Social Housing Restructuring Zones to facilitate the development of Social Housing units. Newcastle municipality has been identified as one of the municipalities to submit proposals for the identification of Social Housing Restructuring Zones for consideration for funding the development of Social Housing units in the Municipality's area of jurisdiction. The Department of Human Settlements is at the same time embarking on the establishment of Community Residential Units which cater for families earning an income of R3500 and less. This leaves a gap in housing provision for income groups earning between R3501 and R7500. The Social Housing project seeks to close this gap and at the same time achieving the objectives mentioned in this report.

The project seeks to achieve the following objectives:

- Spatial restructuring by bringing lower income people into areas of economic opportunity;
- Social restructuring by promoting mixing of races and class; and
- Economic restructuring by promoting spatial access to economic opportunities and job creation through the building of medium density housing.

According to the Guidelines provided by the Department of Human settlements, for areas to be identified as Social Housing Restructuring Zones they should satisfy the following criteria:

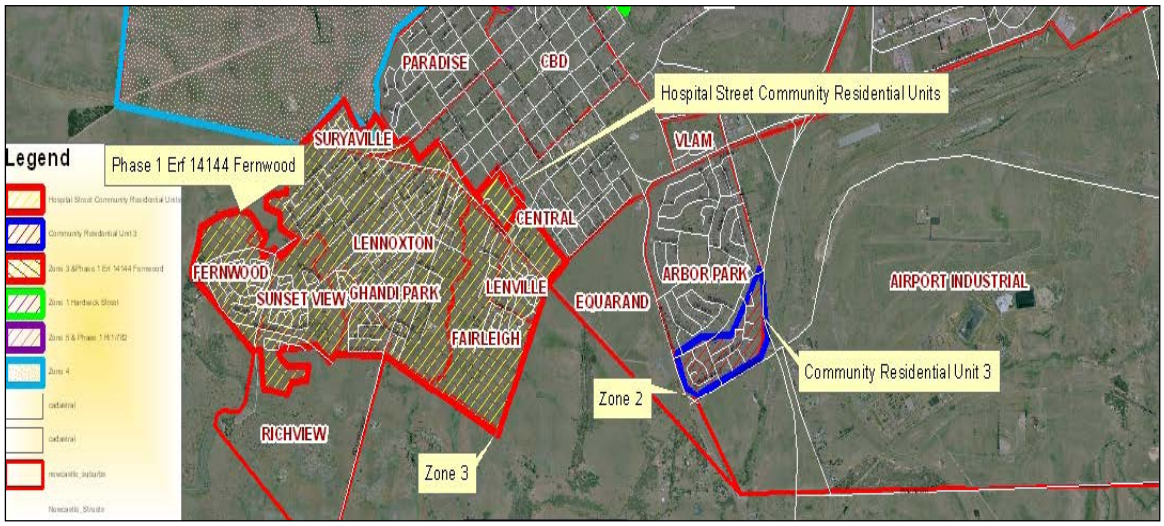
- Social Housing Restructuring Zones should often coincide with development nodes (inner-city and decentralized) and corridors;
- They should not be about regeneration or renewal in townships but could be adjacent to nodes or within corridors linking townships to the city;
- Ideally restructuring should satisfy all 3 objectives above, but either economic access or mixing of race and class each, on its own can be sufficient motivation;
- A Restructuring Zone cannot however, be motivated solely on the grounds of creating change in spatial morphology of the city e.g. just for the sake of densification/compaction.

A total of six (6) Social Housing Restructuring Zones have been identified by the Department of Development Planning and Human Settlements of which two have been prioritised. The

identification of the restructuring zones is in line with the set guidelines. The six zones are as follows:

- **Zone 1 –** Hardwick Street Social Housing Restructuring Zone.
- **Zone 2 –** Arbor Park Housing Restructuring Zone **(Prioritized).**
- **Zone 3 –** Fairleigh, Lennoxton, Lenville, Fernwood, Restructuring Zone **(Prioritized).**
- **Zone 4 –** Amiel Park, Hutten Heights, Pioneer Park, Aviary Hill, Schuinshoogte, Signal Hill, Sunny Ridge, Barry Hertzog Park, Amajuba Park and Ncandu Park.
- **Zone 5 -** P483 Corridor Mobility Spine, Activity Spines and Activity Nodes.
- **Zone 6 –** Future Development Zones (Erven 15048 and 15049, Newcastle).

Map 4: Prioritized Restructuring Zones 2 and 3



3.5.15.4. INFORMAL SETTLEMENTS.

As indicated on table 15 below, informal settlement is one of the key challenges facing the NLM. The total demand for dwelling units (in informal settlements) can thus be calculated at approximately 19 000 units (this figure could however be much higher/lower depending on the number of households for the JBC Informal Settlement).

Table 31: Informal Settlements

SETTLEMENT NAME	NR OF HOUSEHOLDS	POPULATION SIZE	EXTENT	ROAD NETWORK	SANITATION	WATER	REFUSE REMOVAL	ELECTRICITY
Roy Point Informal Settlement	800	1000	50ha	None	Pit Latrines	None	None	None
Charlestown Informal Settlement	1500	6000	56ha	None	Pit Latrines	None	None	None
Bosworth Informal Settlement	500	3500	NA	None	Pit Latrines	None	None	None
Siyahlalala Informal Settlement (Fairleigh)	1000	5500	84ha	None	None	4 Stand Pipes	None	None
Soul City Madadeni Section 3	60	300	NA	None	VIP	Stand Pipes	Collected	None
Soul City : Madadeni Stafford Hill	3000	4500	NA	None	Pit Latrines	4 Stand Pipes	None	Eskom
Dry Cut Informal Settlement	500	2500	NA	None	Pit Latrines	4 Stand Pipes	None	None
Ingogo Informal Settlement	600	3000	NA	None	Pit Latrines	None	None	None
Ingqayizivele Informal Settlement	600	3000	NA	None	Pit Latriness	None	None	None
JBC Informal Settlement	NA	45191	2408ha	Access Roads	Pit Latrines	Stand Pipes	None	Eskom

3.5.15.5. URBAN RENEWAL.

Madadeni and Osizweni are the two main townships located within Newcastle Municipality area of jurisdiction. The area, generally referred to as the MBO (Madadeni, Blaauwbosch and Osizweni areas) is the main focus of urban renewal initiatives by the municipality. To this extent, a regeneration framework has been developed as a means to provide guidance, coordination and alignment of sectoral activities to facilitate development of MBO complex. Key performance areas with their identified strategies identified for the MBO complex include:

- Quality Living Environment: this key performance area deals with strategies to improve the quality of the environment. It includes, amongst others, strategies for conservation, environmental health, rehabilitation and reclaim of degraded areas, air quality, water resource management, waste management.
- Access to Public Services and Amenities includes strategies for road maintenance, ensuring adequate and reliable bulk resources for all services over next 20 year period site and service strategies, etc.
- Functional Local Economy: this KPA identifies strategies for recycling programmes, encouragement of home enterprises, mixed activity Economic Opportunity Zones, multi modal transport interchanges at major nodes, secondary residential property market, land tenure upgrading as part of all housing projects, etc.
- Linkages and Integration: Strategies of importance are inter-neighbourhood linkages, extension of new road linkages towards improved integration, Investment Promotion Office dealing with specifically the former township areas (now economic opportunity zones).

3.5.15.6. UPGRADING AND FORMALISATION OF JBC AREA.

The JBC Framework identifies six development units or precincts, and recommends that these form the basis of a housing development program in the area. Layout plans and development applications have already been packaged for some of these precincts. It further suggests the following initiatives for the area:

- Effective environmental management.
- Provision of bulk engineering services, particularly waterborne sewerage.
- Upgrading of main transport networks and the associated public transport networks. This includes walkways and pavements.
- Promoting local economic development through the development of a new town centre in the area.

- Introducing an effective land use management system.

It further acknowledges the importance of P483 as the primary development corridor running through the area, and a number of mixed use strips (activity streets). It also suggests at least three development nodes with the major node being the proposed JBC Town Centre.

3.5.15.7. SWOT ANALYSIS.

STRENGHTS	WEAKNESSES
▪ Well-developed infrastructure network. ▪ Availability of bulk infrastructure and services to support the economy and meet basic needs. ▪ Relatively well-resourced Technical Services Department. ▪ Aerodrome with potential to develop as a regional airport. ▪ Relatively good road network. ▪ Good access to social facilities and infrastructure (schools and health facilities). ▪ Level 2 Accreditation for the delivery of housing projects. ▪ Blue Drop water status (quality) ▪ Spare capacity for electricity	▪ Lack of sector plans particularly Water Services Development Plan. ▪ Ageing infrastructure particularly in the CBD and Newcastle West generally. ▪ Bulk infrastructure working at capacity (water treatment works). ▪ Water loses due to old infrastructure. ▪ Limited capacity for future development. ▪ Huge housing backlog particularly in the JBC area and informal settlements. ▪ Gravel roads in Newcastle East. ▪ Slow pace of housing projects. ▪ Lack of bulk services in the JBC area. ▪ Poor storm water management, particularly in the vicinity of Victoria Mall. ▪ Poorly located landfill site. . ▪ Illegal dumping.
OPPORTUNITIES	**THREATS**
• Urban renewal programme. • Municipal Infrastructure Grant and other conditional grants. • Informal Settlement Upgrading Programme. • Public private partnerships. • Development of the New dam (Ncandu)	• Increasing rate of urbanisation in areas where there is inadequate bulk infrastructure. • Reduction in infrastructure grants from national and provincial government. • Old infrastructure in the Newcastle west

3.6. LOCAL ECONOMIC AND SOCIAL DEVELOPMENT.

Newcastle Municipality has a legal mandate to promote social and economic development within its area of jurisdiction. It is also required in terms of Section 153 of the Constitution, to structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community. In furtherance of this mandate, Newcastle Municipality has initiated a process towards the development of a Local Economic Development (LED) Plan as a sector plan to the IDP and a strategic guide for promoting equitable economic development.

3.6.1. RACES EXISTING WITHIN NEWCASTLE.

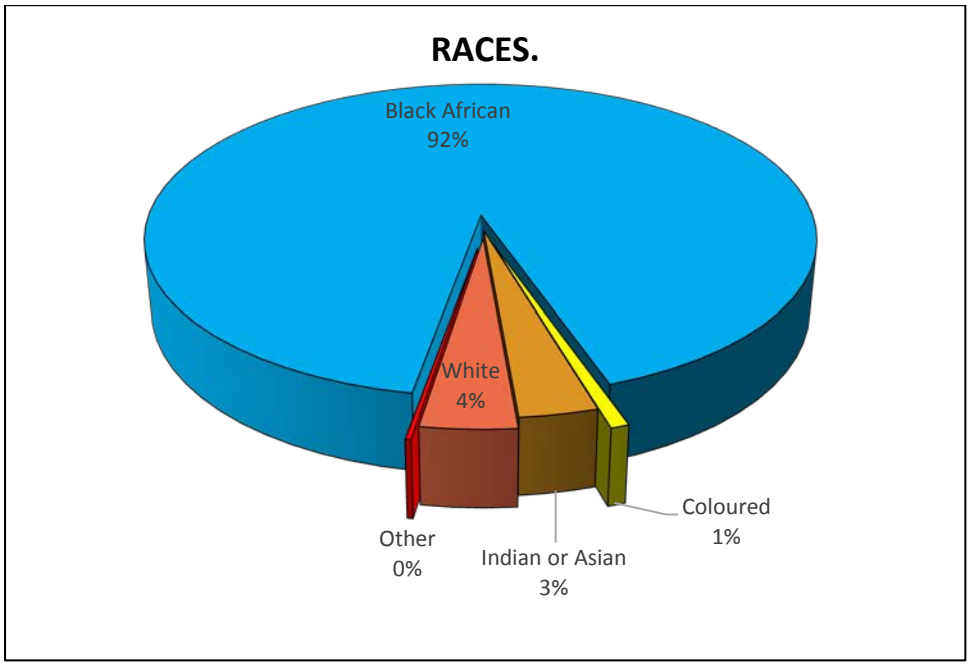
In terms of race, the Black African group makes up the majority of the population in Newcastle at an astounding 91.86% of the total population. The White group makes up the second largest population followed by the Indian or Asian population at 3.93% and 3.22% respectively. The other 0.99% is comprised of either the coloureds and/or other racial groups.

Table 7: Races existing within Newcastle.

	2001		2011	
	Number of people	**%**	**Number of people**	**%**
Black African	302 609	90,88%	333 657	91,86%
Coloured	2 195	0,66%	2 733	0,75%
Indian or Asian	10 128	3,04%	11 686	3,22%
White	18 045	5,42%	14 275	3,93%
Other	-	-	886	0,24%
Grand Total	**332 977**	**100%**	**363 236**	**100%**

Source: Stats SA –2001 & 2011 Census Data.

Figure 22: Races existing within Newcastle in the year 2011.



3.6.2. SPOKEN LANGUAGES.

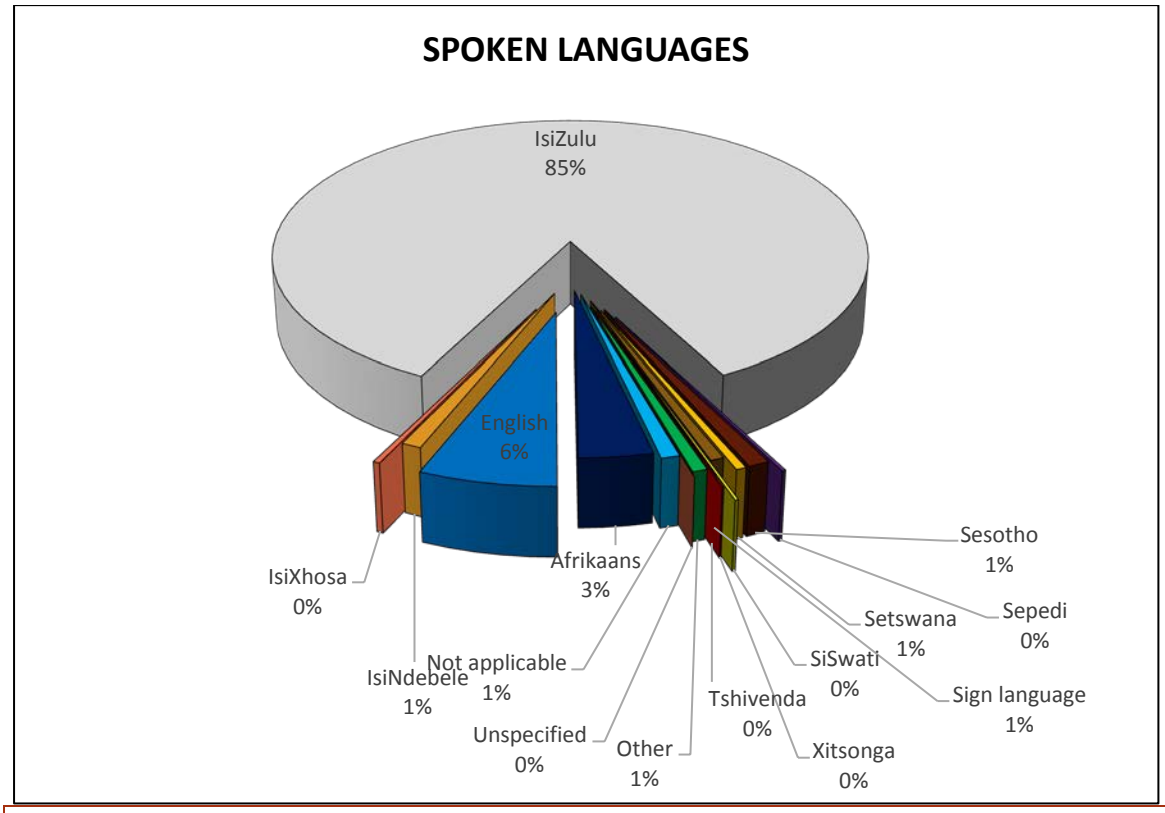
The highest concentration of people (84.87%) have IsiZulu as their spoken language followed by English and Afrikaans at 6.33% and 3.46% respectively. 0.63% of the total population uses sign language to communicate whereas the other 4.71% is evenly distributed amongst people who either have Isindebele, IsiXhosa, Sepedi, Setswana, SiSwati, Tshivenda and Xitsonga as their spoken language. Based on the information presented below, it is clear that Newcastle is a multilingual town well-endowed with a wide variety of cultures.

Table 32: Spoken languages within Newcastle.

	Total Number of People	%
Afrikaans	12 574	3,46%
English	22 979	6,33%
IsiNdebele	3 397	0,93%
IsiXhosa	1 154	0,32%
IsiZulu	308 297	84,87%
Sepedi	607	0,17%
Sesotho	3 539	0,97%
Setswana	1 762	0,48%
Sign language	2 309	0,63%
SiSwati	554	0,15%
Tshivenda	129	0,03%
Xitsonga	264	0,07%
Other	2 524	0,69%
Unspecified	-	0,00%
Not applicable	3 148	0,87%
Grand Total	**363 236**	**100%**

Source: Stats SA – 2011 Census Data.

Figure 23: Spoken languages.



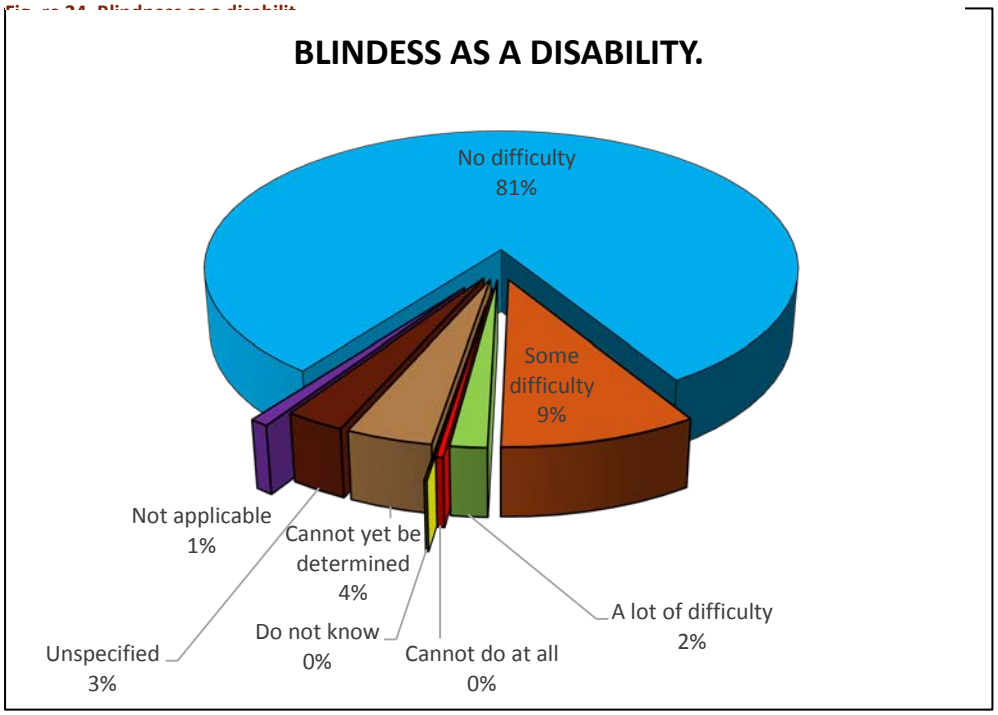
3.6.3. BLINDNESS AS A DISABILITY.

According to *Table 2* below, there is a small number of individuals with blindness as a disability within Newcastle's jurisdictional area. The majority of the people (80.93%) have no difficulties with seeing. Individuals who experience difficulties in this regard collectively constitute 11.27% of the total population, with a higher majority being attributed to the female population. The other 7.80% or so either doesn't know, cannot yet determine whether or not they have difficulties with seeing, are unspecified and/or are not applicable.

Table 33: Blindness as a disability within Newcastle.

	Male	%	Female	%	Grand Total	%
No difficulty	142 919	82,69%	151 059	79,34%	**293 979**	**80,93%**
Some difficulty	12 737	7,37%	20 701	10,88%	**33 438**	**9,20%**
A lot of difficulty	2 295	1,33%	3 993	2,09%	**6 288**	**1,73%**
Cannot do at all	587	0,33%	651	0,35%	**1 239**	**0,34%**
Do not know	209	0,13%	186	0,09%	**395**	**0,11%**
Cannot yet be determined	7 239	4,19%	7 414	3,89%	**14 654**	**4,04%**
Unspecified	4 805	2,78%	5 280	2,77%	**10 085**	**2,78%**
Not applicable	2 045	1,18%	1 103	0,59%	**3 148**	**0,87%**
Grand Total	**172 837**	**100%**	**190 389**	**100%**	**363 225**	**100%**

Source: Stats SA – 2011 Census Data.



3.6.4. COMMUNICATION IMPAIRED AS A DISABILITY.

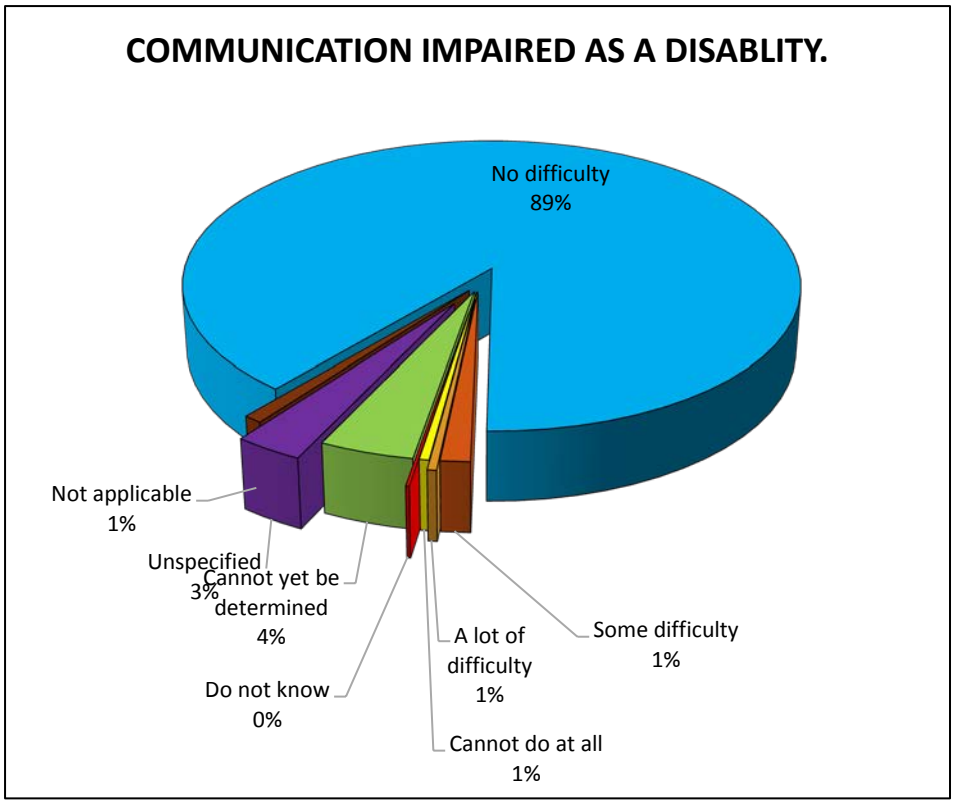
Regarding *Table 9* below, a higher majority (89.21%) of the population within Newcastle has got no difficulties in communicating through speech. About 2.24% of the total population experiences difficulties in this regard with a higher majority being concentrated amongst the male population. The other 8.55% either doesn't know, cannot yet determine whether or not they have difficulties with communicating, are unspecified and/or are not applicable.

Table 34: Communication impaired as a disability within Newcastle.

	Male	%	Female	%	Grand Total	%
No difficulty	153 216	88,64%	170 827	89,72%	**324 043**	**89,21%**
Some difficulty	2 374	1,38%	2 594	1,36%	**4 967**	**1,37%**
A lot of difficulty	802	0,47%	745	0,39%	**1 547**	**0,42%**
Cannot do at all	857	0,49%	763	0,41%	**1 620**	**0,45%**
Do not know	319	0,19%	262	0,13%	**582**	**0,16%**
Cannot yet be determined	7 776	4,49%	8 050	4,23%	**15 826**	**4,36%**
Unspecified	5 448	3,16%	6 044	3,18%	**11 492**	**3,16%**
Not applicable	2 045	1,18%	1 103	0,58%	**3 148**	**0,87%**
Grand Total	**172 837**	**100%**	**190 389**	**100%**	**363 225**	**100%**

Source: Stats SA – 2011 Census Data.

Figure 25: Communication impaired as a disability.



3.6.5. DEAFNESS AS A DISABILITY.

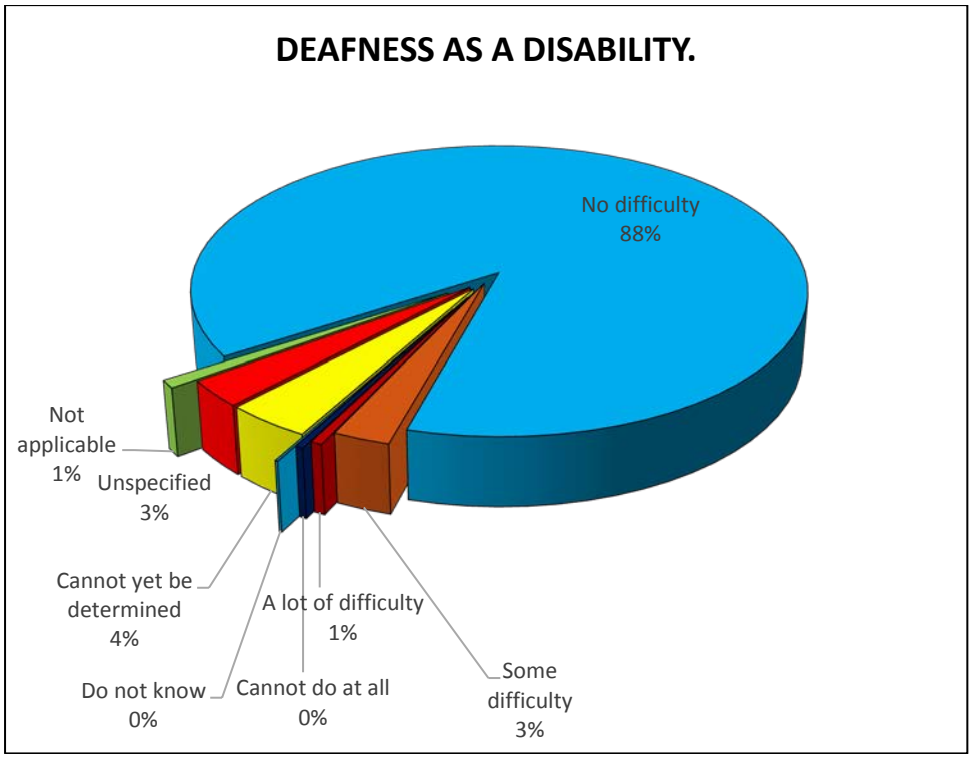
Table 10 below depicts a situation which conforms to the norm regarding deafness as a disability within Newcastle. A high majority of the population within Newcastle (88.50%) have no difficulties in terms of hearing problems. 3.58% of the total population has experienced a variety of difficulties in this regard with the majority concentrated amongst the female population. The rest of the other 7.92% either doesn't know, cannot yet determine whether or not they have difficulties with hearing, are unspecified and/or are not applicable.

Table 35: Deafness as a disability.

	Male	%	Female	%	Grand Total	%
No difficulty	152 776	88,39%	168 695	88,60%	**321 471**	**88,50%**
Some difficulty	4 039	2,34%	5 702	2,99%	**9 741**	**2,68%**
A lot of difficulty	849	0,49%	1 104	0,58%	**1 953**	**0,54%**
Cannot do at all	674	0,39%	655	0,34%	**1 329**	**0,36%**
Do not know	241	0,14%	229	0,12%	**470**	**0,13%**
Cannot yet be determined	7 141	4,13%	7 346	3,86%	**14 487**	**3,99%**
Unspecified	5 071	2,93%	5 555	2,93%	**10 626**	**2,92%**
Not applicable	2 045	1,19%	1 103	0,58%	**3 148**	**0,87%**
Grand Total	**172 837**	**100%**	**190 389**	**100%**	**363 225**	**100%**

Source: Stats SA – 2011 Census Data.

Chart 1: Deafness as a disability.



3.6.6. WALKING AND/OR CLIMBING STAIRS AS A DISABILITY.

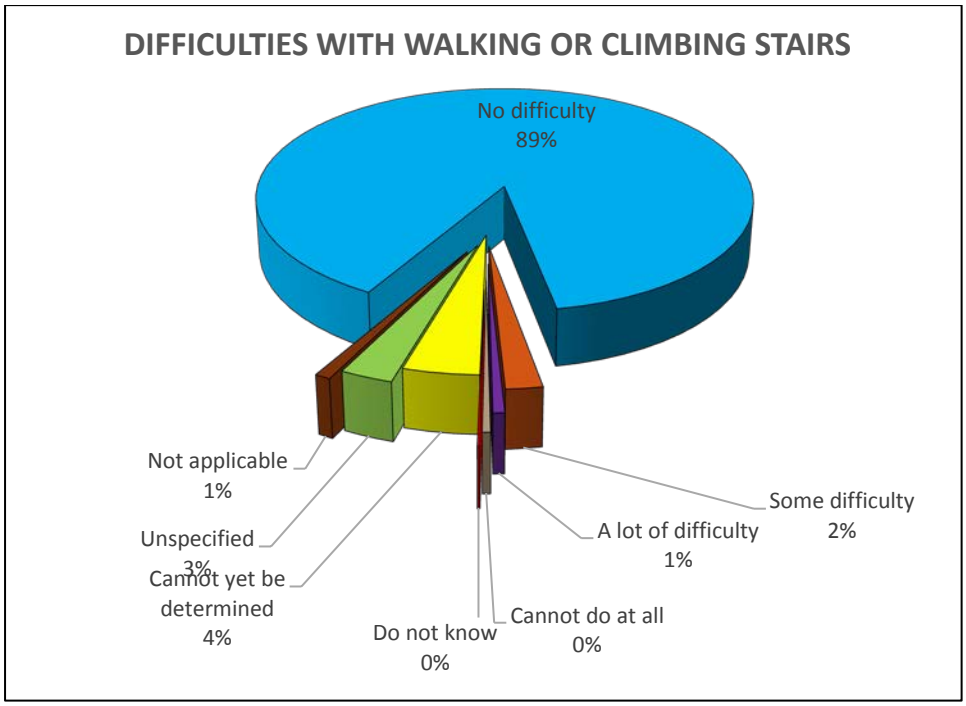
The majority of the population within Newcastle (88.81%) does not have any difficulties with regards to walking and/or climbing stairs. 3.07% of the total population may be deemed as having difficulties with walking and/or climbing stairs with the highest concentration being amongst the female population. The other 8.12% either doesn't know, cannot yet determine whether or not they have difficulties with hearing, are unspecified and/or are not applicable.

Table 36: Walking and/or climbing stairs as a disability.

	Male	%	Female	%	Grand Total	%
No difficulty	153 639	88,89%	168 962	88,74%	**322 601**	**88,81%**
Some difficulty	2 806	1,63%	4 517	2,37%	**7 324**	**2,02%**
A lot of difficulty	855	0,49%	1 385	0,74%	**2 239**	**0,62%**
Cannot do at all	749	0,43%	805	0,42%	**1 553**	**0,43%**
Do not know	247	0,15%	221	0,12%	**468**	**0,13%**
Cannot yet be determined	7 505	4,34%	7 821	4,12%	**15 326**	**4,22%**
Unspecified	4 991	2,88%	5 575	2,93%	**10 566**	**2,91%**
Not applicable	2 045	1,19%	1 103	0,56%	**3 148**	**0,87%**
Grand Total	**172 837**	**100%**	**190 389**	**100%**	**363 225**	**100%**

Source: Stats SA – 2011 Census Data.

Figure 26: Waking or climbing stairs as a disability.


DIFFICULTIES WITH WALKING OR CLIMBING STAIRS
No difficulty 89%
Some difficulty 2%
A lot of difficulty 1%
Cannot do at all 0%
Do not know 0%
Cannot yet be determined 4%
Unspecified 3%
Not applicable 1%

3.6.7. REMEMBERING/CONCENTRATING AS A DISABILITY.

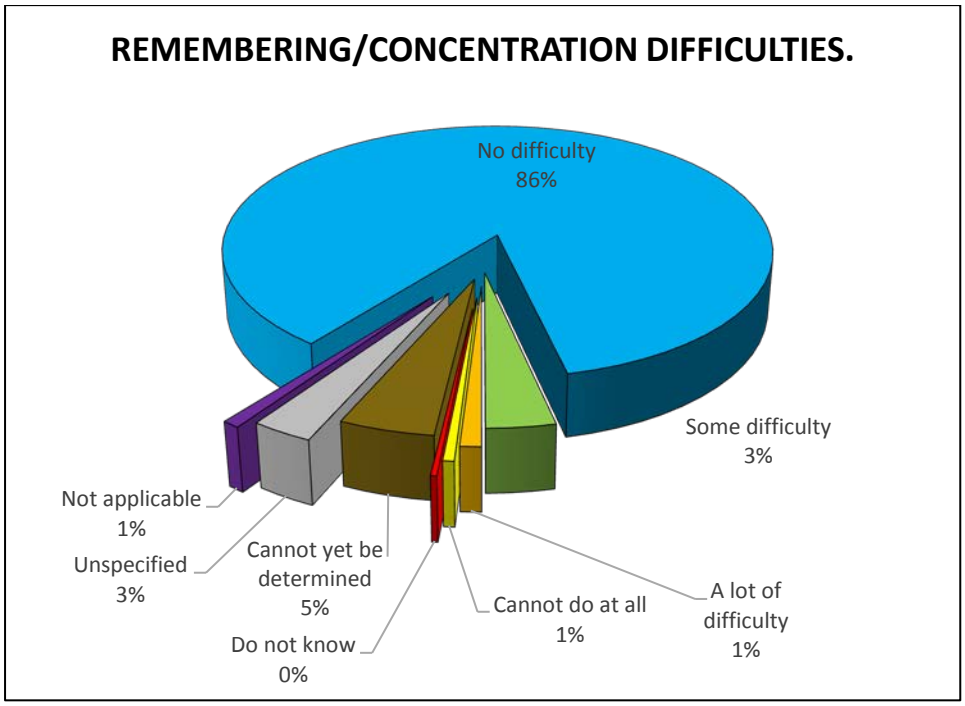
Most of the people within Newcastle (85.96%) do not have any problems related to remembering/concentrating as a disability. Approximately 5.06% of the total population experiences difficulties in this regard whereas the rest of the 8.98% either doesn't know, cannot yet determine whether or not they have difficulties with remembering/concentrating, are unspecified and/or are not applicable. In terms of gender, the male population experiences a higher degree of difficulty with remembering/concentrating as a disability when compared to the females.

Table 37: Remembering/concentrating as a disability.

	Male	%	Female	%	Grand Total	%
No difficulty	148 613	85,98%	163 634	85,95%	**312 247**	**85,96%**
Some difficulty	5 216	3,02%	7 339	3,85%	**12 555**	**3,46%**
A lot of difficulty	1 595	0,93%	2 234	1,17%	**3 829**	**1,05%**
Cannot do at all	1 057	0,61%	955	0,50%	**2 012**	**0,55%**
Do not know	574	0,33%	531	0,28%	**1 106**	**0,30%**
Cannot yet be determined	8 487	4,91%	8 752	4,59%	**17 239**	**4,75%**
Unspecified	5 248	3,04%	5 841	3,08%	**11 090**	**3,06%**
Not applicable	2 045	1,18%	1 103	0,58%	**3 148**	**0,87%**
Grand Total	**172 837**	**100%**	**190 389**	**100%**	**363 225**	**100%**

Source: Stats SA – 2011 Census Data.

Figure 27: Difficulties with concentrating/remembering.



3.6.8. SELF-CARE AS A DISABILITY.

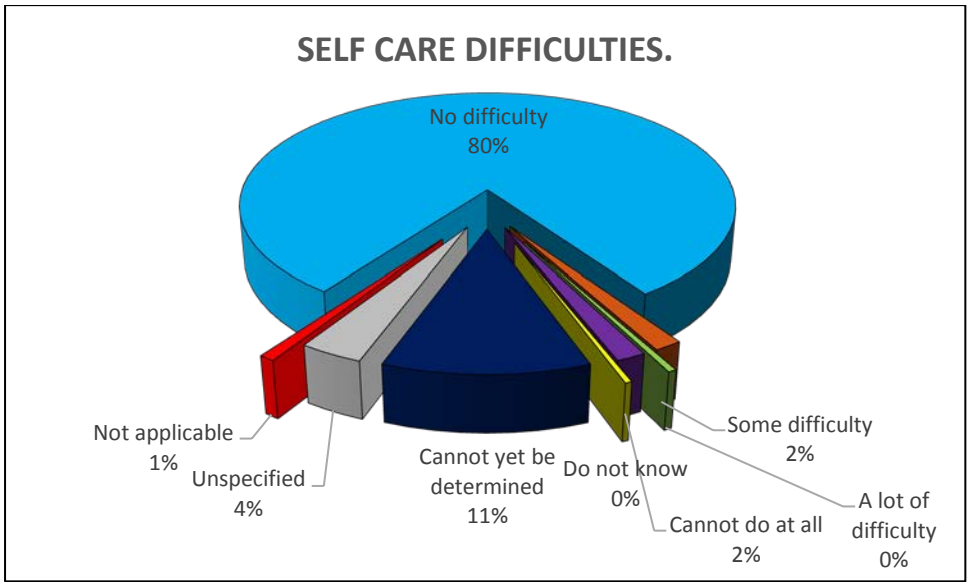
The majority of the population within Newcastle (80.44%) is not experiencing any difficulties regarding self-care. 3.61% of the total population experiences difficulties in this regard with the majority concentrated amongst the female population. The rest of the 15.95% either doesn't know, cannot yet determine whether or not they have difficulties with regards to self-care, are unspecified and/or are not applicable.

Table 38: Self-care as a disability.

	Male	%	Female	%	Grand Total	%
No difficulty	137 383	79,49%	154 759	81,28%	**292 141**	**80,44%**
Some difficulty	2 642	1,54%	2 979	1,56%	**5 621**	**1,55%**
A lot of difficulty	817	0,48%	826	0,43%	**1 644**	**0,45%**
Cannot do at all	2 977	1,72%	2 846	1,49%	**5 823**	**1,61%**
Do not know	664	0,37%	662	0,36%	**1 325**	**0,36%**
Cannot yet be determined	20 353	11,78%	20 513	10,77%	**40 866**	**11,25%**
Unspecified	5 956	3,44%	6 702	3,53%	**12 657**	**3,48%**
Not applicable	2 045	1,18%	1 103	0,58%	**3 148**	**0,86%**
Grand Total	**172 837**	**100%**	**190 389**	**100%**	**363 225**	**100%**

Source: Stats SA – 2011 Census Data.

Figure 28: Difficulties with self-care.



3.6.9. MIGRATION PATTERNS.

The majority of the individuals residing in Newcastle are originally from the KwaZulu-Natal Province. Based on the figures presented in *Table 15 and 16* below the majority of immigrants into Newcastle emanate from the Gauteng Province with the second largest group coming from the Mpumalanga Province and subsequently Free State. In terms of race, the majority of the immigrants are Black Africans which are followed by the Whites. The cause for immigration into Newcastle may largely be attributed to the rapid development of the town as a regional services center within the Northern KwaZulu-Natal region hence employment opportunities. In terms of gender, the majority of the individuals who immigrate into Newcastle entails the female population. Since the year 2001, there has been an increase in the number of immigrants to Newcastle from Gauteng, Mpumalanga and the Free State Province at an average annual immigration growth rate of 2.76%, 0.07%, and 1.08% respectively over 10 years since 2001 to 2011.

Table 39: Immigration to Newcastle from different provinces.

	Western cape	Eastern cape	Northern cape	Free state	Kwazulu-Natal	North west	Gauteng	Mpumalanga	Limpopo	Grand Total
Black African	103	380	46	670	297 493	126	1 712	1 287	169	**302 531**
Coloured	57	26	24	3	2 054	-	40	24	-	**2 264**
Indian or Asian	44	18	-	12	9 969	9	36	30	12	**10 154**
White	78	112	48	168	16 515	85	515	312	54	**18 037**
Other	-	-	-	-	-	-	-	-	-	**-**
Grand Total	**282**	**536**	**119**	**852**	**326 031**	**220**	**2 302**	**1 653**	**235**	**332 985**

Source: Stats SA – 2001 Census Data.

Table 40: Migration to Newcastle from different provinces.

	Western cape	Eastern cape	Northern cape	Free state	Kwazulu-Natal	North west	Gauteng	Mpumalanga	Limpopo	Outside South Africa	Do not know	Unspecified	Grand Total
Black African	97	478	160	714	322 283	67	2 452	1 444	115	1 475	12	4 359	**333 657**
Coloured	31	21	26	6	2 474	-	34	14	-	16	-	110	**2 733**
Indian or Asian	33	18	3	24	10 933	5	140	44	5	372	3	105	**11 686**
White	93	108	63	210	12 551	46	520	270	59	79	5	272	**14 275**
Other	3	9	1	1	448	3	33	-	2	349	5	29	**886**
Grand Total	**258**	**634**	**253**	**955**	**348 689**	**122**	**3 179**	**1 771**	**181**	**2 292**	**25**	**4 875**	**363 236**

Source: Stats SA – 2011 Census Data.

3.6.10. CHILD-HEADED HOUSEHOLDS.

According to *Table 34* below, out of the total number of households within Newcastle (84 272 households), 1.3% (1 128) of the total number of households is headed by a child who is either 18 years old or younger. In terms of gender, the majority of the child-headed households are headed by males (61.52% of the total 1 128 child headed households) as compared to the females. Out of the total number of child-headed households, 5.23% is employed, 4.25% is unemployed, 1.59% entails discouraged work seekers, whereas a high majority (58.59%) is not economically active meaning they may still be attending school. The other 30.34% is composed of child-headed households with children that are younger than 15 years of age.

Table 41: Child-headed households.

	Employed	Unemployed	Discouraged work-seeker	Other not economically active	Age less than 15 years	Grand Total
Male	48	27	9	409	201	**694**
Female	11	21	9	252	141	**434**
Unspecified	-	-	-	-	-	-
Grand Total	**59**	**48**	**18**	**661**	**342**	**1 128**

Source: Stats SA – 2011 Census Data.

In terms of the table below, the annual household income of the child-headed households within Newcastle, the majority is living below the lower bound poverty line of 1.25$ (PPP$) per day, which is currently R14,67 in terms of the Dollar to Rand exchange rate. The majority of the households living below the lower bound poverty line have no income what-so-ever and they constitute 48.9% (552) of the total number of child-headed households. The implications behind this alarming figure is that such households are leaving in abject poverty hence necessitating some form of intervention.

Table 35: Annual income of child-headed households.

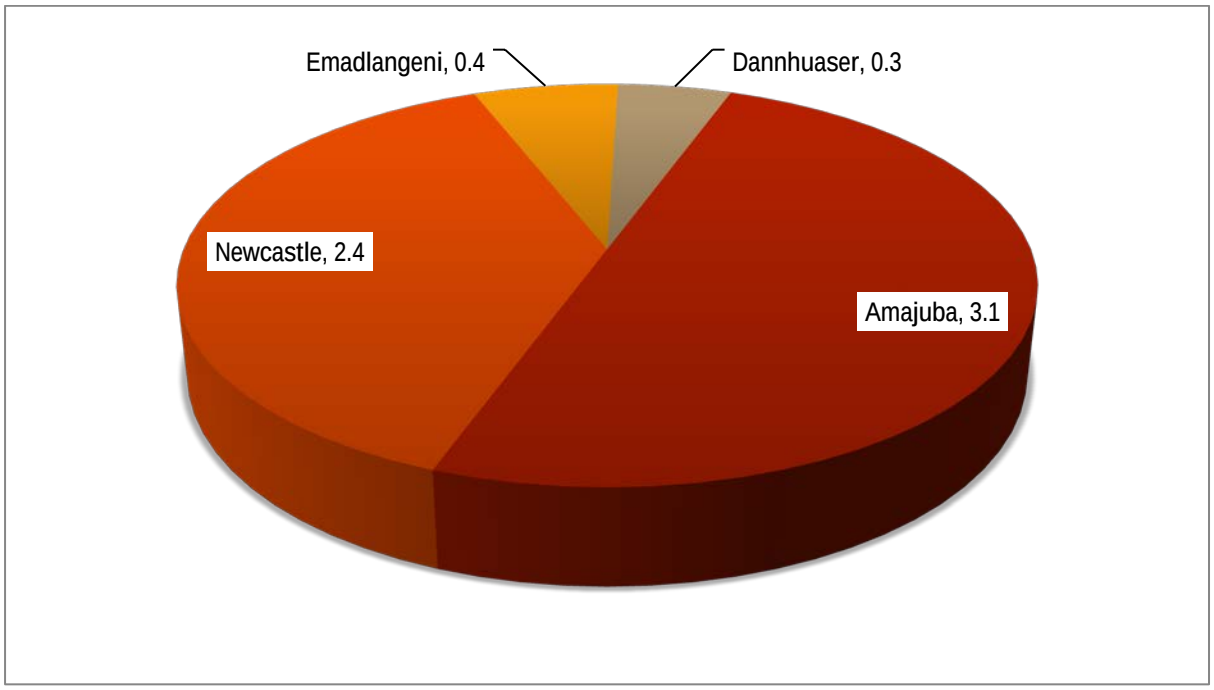
	No income	R 1 - R 4800	R 4801 - R 9600	R 9601 - R 19 600	R 19 601 - R 38 200	R 38 201 - R 76 400	R 76 401 - R 153 800
Male	367	119	89	60	30	13	2
Female	185	64	72	48	37	15	6
Unspecified	-	-	-	-	-	-	-
Grand Total	**552**	**183**	**161**	**108**	**67**	**28**	**8**
	R 153 801 - R 307 600	**R 307 601 - R 614 400**	**R 614 001 - R 1 228 800**	**R 1 228 801 - R 2 457 600**	**R 2 457 601 or more**	**Unspecified**	**Grand Total**
Male	7	4	-	1	-	-	**694**
Female	4	2	-	1	-	-	**433**
Unspecified	-	-	-	-	-	-	**-**
Grand Total	**12**	**7**	**-**	**2**	**-**	**-**	**1 128**

Source: Stats SA – 2011 Census Data.

3.6.11. GROSS VALUE ADDED.

The figure below indicates that Newcastle Municipality accounts for the majority share of the Gross Value Added for Amajuba District. This confirms the dominance of Newcastle in the region and its role as the main economic hub.

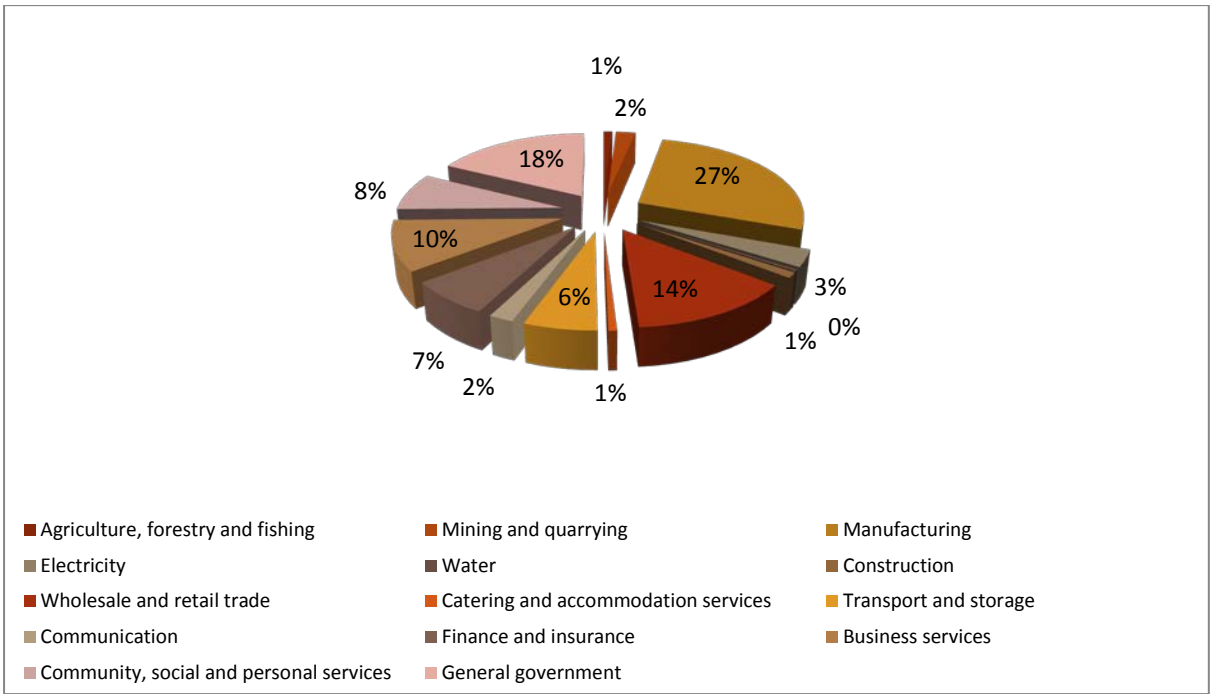
Figure 29: Gross Value Added (GVA) - Current Prices (R000)



Source: Global Insight 2012

The graph below displays the sectoral contribution to total Gross Value Added (GVA) within the municipality, which is a measure of the regional gross domestic product contribution. The economy of Newcastle is largely driven by the manufacturing sector, which contributes approximately 27% to total GVA. This equates to almost R2,9 billion of the total R10,5 billion GVA generated. This is higher than both the district and provincial GVA contribution of approximately 25% and 22% of total GVA respectively. The manufacturing sector has only experienced modest growth in the past decade (2000 – 2010), with an average real annual GVA growth rate of 0.6%, in comparison with Provincial average growth of 2.2%.

Figure 30: Economic Sectors



Source: Urban-Econ calculations based on Quantec Data (2012)

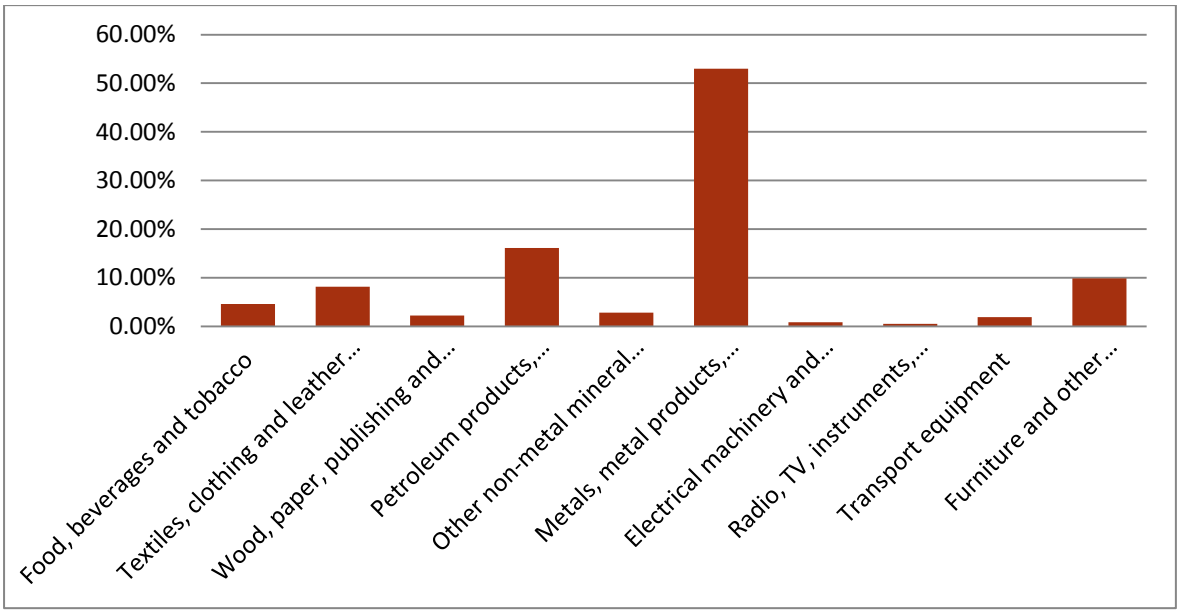
Other key sectors in terms of GVA contribution are the general government sector; wholesale and retail; and finance and business services sector. GVA generated through general government services approximately R1,8 billion, which contributes 17.6% to total GVA. This sector has experienced average annual real growth of 2.6% per annum. Just over 17% of GVA can be attributed to finance (6.9%) and business services (10.2%), which collectively generate R1.8 billion worth of GVA to the Newcastle economy.

These have also been the fastest growing subsectors, with finance and insurance services growing at an average rate of almost 9% per annum since 2000, and business services growing at 6.2% over the same period. Wholesale and retail trade contributes R1.4 billion to the local economy, which accounts for almost 14% of total GVA. Wholesale and retail trade have been growing at a modest rate of 2.63% per annum from 2000 – 2010.

3.6.12. MANUFACTURING.

Manufacturing is the largest contributing sector within the district economy, contributing approximately 25.2% to total GVA. Manufacturing activities in Amajuba include metal production, chemicals and plastics, pharmaceuticals, clothing and textiles, food and beverages, leather and footwear. Most large industry is located within Newcastle, which accounts for over 83% of total GVA in the Amajuba manufacturing industry, followed by Dannhauser with 12.7% and Emadlangeni with 3.8% of GVA.

Figure 31: Distribution of Manufacturing GVA (Newcastle 2010)



Source: Urban-Econ calculations based on Quantec Data (2012)

Newcastle has a strong base of existing infrastructure geared towards manufacturing, and is considered an important node within the wider provincial manufacturing sector. Although the ArcellorMittal steelworks and the Karbochem synthetic rubber plant (which covers an impressive 500 000 m² of manufacturing space), dominate the Newcastle industrial portfolio, there is a wide range of manufacturing undertakings sharing in the economic growth of the region.

The manufacturing sector consists of strong clusters of manufacturing industries, and has historically attracted a large number of foreign (mainly Chinese and Taiwanese) manufactures due to incentives offered. The sector is however dominated by a few large firms, which presents the opportunity to diversify the manufacturing base to promote the growth of SMME's within the sector.

The graph below displays the breakdown of the manufacturing sector in terms of contribution to total manufacturing GVA within Newcastle. Overall, the manufacturing sector has only experienced modest growth since 2000, with average annual growth floating around 0.6%.The 'metals, metal products, machinery and equipment' industry contributes 53% to total manufacturing output within Newcastle, followed by 'petroleum products, chemicals, rubber and plastics' with 16%. This is largely due to the contribution of major manufacturers such as ArcelorMittal, Siltech, and Karbochem. The metals industry has also experienced the greatest average annual growth since 2000 of 2.5%. 'Transport equipment',

although only contributing around 2% to GVA experienced an average annual growth rate of 1.5% since 2000.

Table 42: Formal Employment within Newcastle by Industry

Industry	Number employed	Average annual growth (2000 – 2010)	Percentage contribution
Food, beverages and tobacco	435	-6.0%	3.8%
Textiles, clothing and leather goods	4878	-6.7%	42.6%
Wood, paper, publishing and printing	346	-5.2%	3.0%
Petroleum products, chemicals, rubber and plastic	840	-3.5%	7.3%
Other non-metal mineral products	416	-6.1%	3.6%
Metals, metal products, machinery and equipment	3173	-3.0%	27.7%
Electrical machinery and apparatus	130	-4.9%	1.1%
Radio, TV, instruments, watches and clocks	74	-4.9%	0.6%
Transport equipment	169	-6.9%	1.5%
Furniture and other manufacturing	992	-3.4%	8.7%
Total / average	11454	-5.1%	100%

Source: Urban-Econ calculations based on Quantec Data (2012)

Furniture and other manufacturing contributes 10%, while the 'textiles, clothing and leather goods' industry contributes 8% to total GVA within Newcastle. Both these sectors have experienced negative growth, with average annual growth at -0.57% and -1.5% respectively. Other less significant contributors are 'food, beverages and tobacco (5%)' and 'other non-metal mineral products (3%)', with 'transport equipment' and 'wood, paper, publishing and printing' both contributing 2%. The 'non-metal mineral product' and 'wood and paper industries' experienced the most negative growth rates with -3.3% and -3.1% per annum on average since 2000 respectively.

The table above illustrates formal employment within the manufacturing industries in Newcastle, the percentage contribution of each industry, as well as average annual growth in employment from 2000 – 2010.

It is clear from the table above that the textile industry is the largest contributing employment sector, with over 42% of total employment in manufacturing. This is despite the industry only contributing around 10% to total GVA, which indicates that textiles has the potential to create large amounts of employment. This industry has however experienced one of the highest negative average annual growth rates since 2000, of -6.7% per annum.

Newcastle accounts for approximately 86% of all textile and footwear manufactures in the district. The industry is however under threat, with a large number of textile manufacturers recently being closed down due to non-compliance with labour regulations. This has significantly reduced the size of the textile industry, over and above the decline already

experienced over the past few years due to the dominance of Chinese textiles, with thousands of jobs being shed in the past few months already. Many textile manufacturers who cannot afford to comply with labour regulations have reverted to using their factory space as storage for imported textiles from China, while others are relocating to Lesotho and Mozambique. These countries present low labour costs as their competitive advantage. A major concern on the side of textile manufactures is that there has been little to no support for them during these bargaining council discussions. This issue is a complex one, especially because it results from National labour regulation, and therefore cannot be resolved through local initiatives.

The worrying factor is that this industry accounts for over 40% of employment in the municipality, which is estimated to have declined by at least half since the end of 2010.The metals industry, despite contributing the greatest to total GVA, only contributes 27.7% to total employment. This indicates that the industry is less labour-intensive than industries such as textiles. Other significant contributing industries are 'furniture and other manufacturing' with 8.7% of total formal employment, and 'petroleum products, chemicals, runner and plastic' with 7.3% of formal employment. Of concern is the decline in employment within all industries of the manufacturing sector since 2000. The sector has declined at an average annual rate of -5.1%, which represents a loss of over 8000 jobs within this sector between year 2000-2010. The strategy must ensure that job losses are addressed as a priority while taking steps to reverse the recent situation through the creation of new manufacturing jobs within key industries.

3.6.13. TOURISM.

The tourism sector is currently a small contributor to the region's economy, but holds a number of opportunities that can be explored. The NLM forms part of the Battlefields Route. This route attracts 7% of foreign visitors to KZN annually and approximately 42 000 domestic tourists (TKZN Tourism Statistics, 2010). Amajuba has developed a Tourism Development Plan, as well as a development plan for the Battlefields route. The Tourism Development Plan seeks to implement strategies that would create facilities and the marketing of draw card attractions and activities in the district, while the Battlefields Development Plan seeks to the Battlefields located within the Amajuba District Municipality that have never reached their full tourism potential.

It is estimated that the NLM generates approximately R116m in tourism related business per annum, with tourism related establishments generating R165m and creating 1066 jobs

in the municipality (Tourism Sector Report: 2004).Comparative advantages identified within the Tourism Sector, are:

- Strong and well preserved historical heritage with well-developed museum structures.
- Falls within Zulu kingdom and engenders good linkages to this cultural heritage.
- Halfway point on N11 between two major centres, Johannesburg and Durban.
- Gateway to Battlefields Region.
- Long history of hosting national sporting events.
- Well established adventure tourism in pristine natural surroundings.

3.6.14. AGRICULTURE.

Agriculture contributes about 0.7% to the local economy. While the contribution of the agricultural sector in Newcastle may seem particularly low, it remains an important sector for the following reasons:

- The sector has the potential to create jobs.
- The pursuit of national food security requires continued agricultural production and investment.
- While primary production accounts for 4.5% nationally, the larger agro-food complex contributes an addition 9% to GDP (South Africa, 2001). This contribution to GDP is concealed in the manufacturing and trade sectors GDP figures.
- A focus of support to agriculture is important to build capacity and productivity in land reform projects.
- Agricultural development and support is aligned with prevailing rural development policy objectives.
- There are a number of catalytic agricultural projects that have been identified for Newcastle Municipality.

Animal production, Forestry and Agronomic (Field) crops are the key farming enterprises in the region. The high contribution of Beef cattle sales emphasises the high proportion of grasslands occurring in the area. Maize for the production of grain is the major agronomic crop, followed by Soya and Wheat.

Dairy was a significant contributor to Provincial GFI in 2002. Local Farmers Association members report that the Northern Natal Dairy Cooperative, which used to service 28 Dairy

farmers in the Normandien area, was bought out by Clover and subsequently shut down. The cooperative acted as a catalyst for dairy and value adding projects. There used to be 28 dairy farmers in the Normandien area and since the closure of the Cooperative, numbers of dairy farmers has declined to three active dairy farmers in the area (Philipps, pers comm).

According to local farmers, the key commodities produced in Newcastle are:

- Agronomic crops – mainly soya, maize and wheat
- Commercial timber plantations
- Extensive beef production
- Poultry – broiler and layer production
- Wool and mutton in some regions, although this is on the decline
- Other manufacturing and processing activities are as follows:
- Cattle and sheep abattoir – halaal
- Poultry abattoir
- Grain mills – mostly private, with mill maize for whole maize, crush for poultry and maize meal for human consumption – hominy chop sold off as an animal feed
- Local soya processing.

Agriculture in Newcastle faces a number of challenges. These include issues of land tenure and freehold, low penetration of commercial farming activity, low skills base of emerging farmers, land claims, increasing production costs, high transport costs etc.

Amajuba District Municipality commissioned a district level agricultural plan, which was completed in 2006. The main agricultural potential areas of the Amajuba District Municipality are intensive farming, irrigation, dry land farming and stock farming. The focus of Newcastle Municipality's agricultural planning is centred on the following investment opportunities:

- Soya bean production linked into oilcake and biodiesel production.
- Dairy products have massive potential. This include dairy based agro-processing opportunities for yoghurt, ice-cream, powdered milks, custards production.
- Floriculture, which is a sub-sector gaining momentum in the international export markets. Both traditional (roses, carnations and crysants) as well as indigenous (proteas,

fynbos and bulbs) flowers are growing in popularity. The ideal location between two major export hubs (Durban International Airport and OR Tambo International Airport) makes Newcastle highly suited to flower exports to Europe and the Middle East.

- Agri-processing: Expanded production in fruits, vegetable and nuts generates new opportunities for specialist agro-processing. Juicing, drying and canning are all reasonably low capital cost options for fruit processing while opportunities for cold processing (vegetables, herbs and aromatic plants), nut cracking and pressing, distillation of essential oils and hot processing of citrus (jams and spreads) are all highly viable in Newcastle.
- Meat processing (both game and cattle) is an attractive option for investment. Game meat has grown in market share both locally and internationally. The Agricultural Plan estimated that an additional 30000ha of grazing land is currently underutilized in the municipality, representing a considerable opportunity in the offing.
- Aquaculture development with the major thrust being an aquaculture processing plant.

3.6.15. INFORMAL SECTOR.

The informal sector is especially evident in MBO and the Newcastle CBD. In the CBD, informal street trading is mostly concentrated along the northern end of Allen Street, around the bus and taxi rank and in the parking courts immediately adjacent to the rank. Trading structures have been erected in Scott Street close to its intersection with Allen Street, in the bus and taxi rank and on the triangular shaped site at the northern end of Allen Street, close to the Ncandu River. These structures are of good quality although their position does hinder traffic flow.

The MBO area accommodates more than 70% of the municipal population yet it is the most underdeveloped in terms of infrastructure and economic development opportunities. It has been selected for urban/township regeneration, in part, as a means to address the spatial distortions and economic marginalization inherited from the apartheid past. Informal trading is prevalent in nodal areas and exhibits the following characteristics:

- Informal trading takes place in the vicinity of taxi ranks, town centres and major public facilities (e.g. hospital, clinics, schools and pension pay points).
- The majority of informal traders are involved in small operations which involve a relatively small number of people.

- Most traders have are not authorized to undertake street trading and do not belong to a formal structure but would like to be part of one.
- High concentrations of informal traders in places such as taxi ranks create pressure on the available infrastructure and causes chaos.
- The operators who try to work within the rules are becoming frustrated at the lack of regulation.
- There is a general lack of market infrastructure (i.e. safe and secure trading sites) and general infrastructure (i.e. roads, electricity, water, sewerage).

The MBO LED strategy identified the following key areas of focus (strategic intervention areas):

- Sectoral development which includes tourism, commerce, manufacturing (industry) and community services.
- SMME development and support.
- Business support programme.
- Infrastructure development and upgrading.
- Housing delivery.

3.6.16. MINING.

Mining forms an important component of the economy of Newcastle and the history of organized mining in the municipality which has generated associated industries. Mining activities includes coal mining, brick clay, Iron Oxide, dimension stone, aggregate and sand. Particularly two areas are of interest, namely KIB and the MBO area.

3.6.16.1. COAL MINING.

Mintek (2007) estimates that 23% of the coal resources still remain within the Klip River coalfield, of which 51% are found in the Top seam and 49% within the Bottom seam. The coal reserves can (and probably will) be increased with additional coal exploration. It is also estimated that there are approximately 4.5Mt of *in situ* coal within the Klip River coalfield – a large portion of which is located within the Newcastle LM. The vast majority (87%) of this coal is considered to be thermal (or steam) coal with a minor portion (8%) of anthracite and 5% of metallurgical coal. The only coal mining and associated operations that appear to be taking place within the LM are related to dump / stockpile reclamation along the N11 outside Newcastle and to the east near the old Ngagane Colliery, as well as a char plant and siding stockpiles (for coal from outside the Newcastle area) within the Ballengeich area.

There are a number of areas where mining has ceased through decommissioning or abandonment, but rehabilitation has either not taken place or is incomplete. These include:

- Macalman Walmsley
- Tendeka North Opencast (Osizweni area)
- Ballengeich / Natal Cambrian Colliery
- Kilbarchan Colliery
- Horn River Colliery – Gardinia
- Witklip Colliery near Charlestown

This has implications for environmental management in terms of water, ground stability and issues of safety. Many of the operations were underground with a number of audits (underground access points) that were linked to a single mining entity or operation. This has an impact on potential land use; however the footprint of the workings cannot be determined from surface[1].

According to the DMR, there are several prospecting projects that are currently being carried out within the NLM. The accuracy of this data is questionable as there are duplicate holders of prospecting rights over the same farms and farm portions. Nevertheless, coal applications are located north-south and east of the N11. In September 2010 a six month moratorium on prospecting right applications was put in place to audit the applications, process and irregularities. It is therefore important for the LM to obtain an updated database from the DMR.

3.6.16.2. IRON OXIDE.

Iron oxide potential is concentrated east of Newcastle within the Madadeni / Osizweni areas. Two mines appear to have been operational to the far east of Osizweni, with a number of abandoned areas of mining or with mining potential. However, field verification of these areas show no latent evidence of mining, with most being within areas that are now built up. It is now unclear whether surface disturbance within these areas is from mining or construction activities. In general, it would appear that the deposits are small and may have been mined out. Mining of weathered dolerite within the area may be a source of iron oxide for pigment; however much of this may also be used in the construction industry.

3.6.16.3. BAUXITE (AL).

[1] An application for access to the DMR records of the final mine plans for these operations is recommended.

Several bauxite occurrences have been reported from within the Newcastle LM. These can be found to the west and southwest of the town, but are all considered to be of insufficient scale and / or grade to be economically viable at this stage. However, further detailed exploration may well prove otherwise. At this stage, bauxite is unlikely to be mined within the LM therefore the potential environmental risk is low.

3.6.16.4. DIMENSION STONE.

In the Newcastle area, there is an abundance of dolerite and sandstone, which both have potential as sources of dimension stone. The dolerite is commonly very dark in colour – due to its fine grain size and enrichment in magnetite – with the result that it is often commercially attractive and is marketed as "Black Granite". Despite this, there do not appear to be any dimension stone mines within the Newcastle LM. Dolerite outcrops throughout the LM, primarily west of the N11. Although the quality of these deposits for use as dimension stone is currently unknown, there is significant potential.

3.6.16.5. AGGREGATE.

AfriSam have an aggregate quarry southwest of Newcastle town off the N11. This dolerite quarry appears to be well run and supplies gravel for crush and cement. A number of other abandoned quarries and borrow pits are in evidence north and east of Newcastle town. Most of these would have been used for road construction and water services infrastructure, as well as for the local building industry.

3.6.16.6. SAND WINNING.

There are plenty of quaternary deposits along stream and river courses for sand winnowing (such as along the Buffels, Horne and Ngagane Rivers) In the Newcastle area. Much of the sand mining within the Newcastle LM is associated with the wetland areas adjacent to water courses and not within/immediately adjacent to the dynamic zone. Sand mining was prevalent east and southeast of Newcastle town in close proximity to the target market (Osizweni/Madadeni building industry. This has serious environmental implications. According to the DMR there is only one sand application (mining permit) northeast of Osizweni from 2005. The accuracy of this data is questionable and appears to be an irregularity as the area covered by this permit far exceeds 1.5 ha (the limit of a mining permit).

3.6.16.7. BRICK CLAY.

The Department of Mineral Affairs is currently busy with a project worth R120 million, to rehabilitate an illegal coal mine in the Blaauwbosch area. The intention of the project is to rehabilitate the mine by using the local community that is mining there and create economic

opportunities by developing a block-making facility and brick-making yard. The bricks will be collected and purchased by Corobrick.

3.6.16.8. LOCAL ECONOMIC DEVELOPMENT STRATEGY.

The NLM LED Strategy was developed in the year 2012 and it was outsourced from 2 private consultation companies. During the development of the strategy there was extensive stakeholder engagements so as to ensure that the strategy is responsive to the issues around LED within Newcastle. Furthermore, the strategy tries by all means to align with the development imperatives of the PGDP and those of the DGDP through the related development goals, objectives, strategies and programme. In terms of the departmental capacity to deliver on the DGDP objectives and intervention areas, the capacity is currently insufficient as there are only 8 qualified personnel whereas the approved organogram makes provision for 24 personnel thus meaning there is a shortage of 16 personnel. The lacking capacity is particularly towards specialist staff who have agricultural and economic expertise.

A number of threats and constraints facing the local firms/industries and businesses have been identified and these have the ability to impede upon economic growth hence development of Newcastle. Several threats and weaknesses to local economic development have been identified, particularly within the agricultural sector. And, in order to counteract the weaknesses, a number of strengths and opportunities have been highlighted in order to ensure that the municipality effectively facilitates local economic development. Newcastle Municipality is committed to addressing the challenges around LED even though some of the issues are not part of local government's prerogatives. The strategic goals which were developed are essential in addressing key gaps and challenges identified and also to transform the economic sectors within Newcastle.

Below is a list of the identified issues translated into problem statements, and the goals that will respond to the identified issues:-

PROBLEM STATEMENT	STRATEGIC GOAL IN RESPONSE
Good potential agricultural land, and opportunities that are currently underutilised	Expansion and diversification of the agricultural sector
Strong manufacturing base with the potential for expansion through diversification and addressing of challenges.	Expansion and diversification of the manufacturing sector
Under-exploited tourism assets.	Development and support for the tourism sector.
Institutional challenges exist which are threatening proper planning, implementation and sustainability of LED	Improving the institutional and policy environment towards and effective LED.

initiatives.	
Under-developed infrastructure is deteriorating the potential for new investment and expansion of existing sectors.	Expansion and development of strategic economic infrastructure
Low growth and success in terms entrepreneurship and small business expansion (Including informal economy development).	Effective support to the informal economic and development small enterprises.
Lack of industry-driven skills development and training.	Ensuring effective skills, education and capacity development.

3.6.16.9. PROGRAMMES TOWARDS ADDRESSING LED CHALLENGES.

Strategic programmes have been developed by NLM in order to address key challenges and issues causing constrains in the facilitation of LED and these are as follows:-

- Programme: SMME Participation within the Manufacturing Sector.

SMMEs entail an important component of the manufacturing sector within Newcastle, and the importance of increasing the participation of SMMEs is important. The national and provincial government have both emphasised the need to develop small businesses as the backbone of the economy, and to this end, these programmes suggest projects that will assist in enhancing SMME contribution to the manufacturing sector output. This programme however deals with the identification and packaging of opportunities, funding and apprenticeship and internship opportunities within the manufacturing sector.

- Programme: SMME Participation within the Tourism Sector.

The tourism sector comprises mainly of small businesses, from single-owned accommodation facilities to one-man tour guide services. The inclusion of small businesses is therefore critical to the success of tourism, and in particular, the development of informal and micro-tourism operators. This programme deals with the development of small businesses within the sector, focussing on the Tourism Ambassador's programme, development of tour guide and site management training and capacity, and identification of potential funding sources for tourism start-ups.

- Programme: Diversification of Tourism Attractions and Activities.

A fairly wide range of tourism activities exists within Newcastle and these have the ability to enhance the sector through development of new activities and attractions. Sports tourism in particular has the potential to attract a wide range of visitors to the area throughout the year, and the municipality will continue to work closely with tourism operators to identify new sporting events that could be established within Newcastle. Various tourism

opportunities have also been identified during the Amajuba Tourism Strategy (2012) of which those that are key to the Newcastle area have been pulled through into the strategy.

- Programme: Assistance and Support in Madadeni and Osizweni.

The location of informal economic activities is important and this programme envisages development of an informal economy strategy. The strategy seeks to construct a trade centre in both townships, with all supporting facilities. Under this programme, the municipality will facilitate the organization of the informal sector as a collective bargaining exercise. This platform will form the basis for ongoing engagement between the municipality and the traders from the informal economy. Facilitating access to credit through packaging funding sources for informal economy traders will also go a long way to improve performance and growth.

Furthermore, as a measure to aid LED with Newcastle, there is an Incentive Scheme and a District Investment Policy that deals mainly with Newcastle. NLM is currently engaged in the development of its Business Retention and Expansion study. The SMMEs that exist and operate within the confines of Newcastle are kept on a database which is separate from the municipal database for SCM purposes. In order to facilitate the research initiatives by the municipality towards LED, there is a Research and Development budget which is under the economic studies and market and research votes. There's also an Informal Trade Policy aimed specifically towards the regulation of street vendor trading.

Table 43: Programme and Project Development.

STRATEGY FOCUS	STRATEGIC GOALS	STRATEGIC PROGRAMMES	PROJECTS
Sector Specific	Expansion And Diversification of Agricultural Sector	Commodity Development and Agri-Processing	Four Gardening projects
			Mushroom Farming
			Abattoir Expansion
			Spinach Production Project
			Amajuba Meat Deboning Project
			Sugar Beef Project
			Fanwood Hydroponics
			Re-starting the biodiesel project
			Expansion of Livestock Production to support meat processing
			Investigation into aqua-culture potential
		Promotion of Urban Agriculture in the Denser Urban Settlements	Nursery Projects (Madadeni and Newcastle)
			Bakery Project in Madadeni
			Establishment of the Hydroponic tunnel project
		Emerging and Small-Scale Farmer Development and Assistance	Identification of commercial farmers to provide SMME mentorship and internships
			Identification and support of out-grower schemes
			Identification of potential funding for small-scale farmers
			Implementation of the tunnels programme
			Green beans project in Ingogo and Zuka
			Support for establishment of the Ingogo Fresh Produce Market
	Expansion and Diversification of the Manufacturing Sector	Industry Development	Shenlinda Chemical Factory
			Establishment of new furniture Manufacturing
			Laundry Project in Madadeni
			Promote the Local Manufacturing of Construction Materials (Including Brick Manufacturing)
			Livestock (pig/cow) abattoirs and Processing Plant
		Strategic Support and Assistance to Industry	Assistance and Support to the Textile Industry, Particularly throughout with regards to bargaining council negotiations
			Support expansion of the plastics Industry through close interaction with key Stakeholders
			Support the Dicks Cluster Project
			Support the Lanxess Expansion Project
			Promote and Support Establishments of Manufacturing within “green” industries
			Support the ArcelorMitall Steel Expansion Programme
		SMME Participation within the	Identification of opportunities for SMME integration into the manufacturing sector
			Assist SMME’s in packing funding applications for manufacturing opportunities with SEDA

		Manufacturing Sector	Identification of potential apprenticeships and internship opportunities within the Manufacturing sector.
		Manufacturing Sector Policy and Planning	Develop a Manufacturing Sector Expansion Plan (Including a clear vision)
			Identify, promote and assist Manufactures in accessing National Incentives available (particularly for new technology and energy efficiency)
			Establish a beneficiation-industries incentive scheme (Including local incentives such as rebates where possible)
			Identification of future potential industrial nodes
	Development and Support for the Tourism Sector	Diversification of Tourism Attractions and Activities	Development of Battlefield as Part of Amajuba Tourism Route (Including Cultural Tourism)
			Action Plan and Funding to support establishment of business tourism and event tourism (particularly Sport Tourism)
			Development of opportunities along the MR483 Corridor linking the Newcastle CBD to Madadeni and Osizweni;
			Promote the development of Avi-Tourism (birding)
			Development of Ncandu Dam Tourism
		SMME Participation within the Tourism Sector	Continue support for the Tourism Ambassador Programme and create linkages with established operators
			Provide Tour Guide and Site Management Training
			Identification of Potential funding for Tourism Start ups
		Institutional support and Policy Development	Roll out of Newcastle Tourism Strategy aligned to the Amajuba Tourism Strategy
			Implementation of Strategic Projects identified for Newcastle within Amajuba Tourism Strategy
			Identification and lobbying for funding for new tourism infrastructure and upgrades
			Ensure continuous tourism research within LED department
			Investigate establishment of a community Tourism Organisation and Newcastle Tourism Forum
		Information, Marketing and Promotion	Relocate and refurbish the Tourism Info Centre in Newcastle, with satellite stations at waterside Wimpy and shopping malls.
			Municipal airport Access Point.
		Investment Promotion and Attraction	Support development of an Amajuba Investment Promotion and Facilitation Strategy (underway with LED) with a focus on Newcastle
			Improve current investment promotion and facilitation capacity
			Packaging of available incentives to stimulate investment into key sectors
		Business Retention and Expansion	Undertake quarterly assessment of the 10 key industrialists to assess Business Confidence
			Roll out of a Business Retention and Expansion Programme
			Target reduction of red-tape and municipal administrative processes times
			Develop a formal platform for frequent engagement between government officials

Cross-Cutting	**the Institutional and Policy Environment Towards Effective LED**	Coordinating and Communication of LED Stakeholders	and business sector
			Encourage the improvement of intergovernmental relations (all spheres of government, SOEs, NGOs and traditional authorities)
			Establish a help desk within the municipality to facilitate private sectors concerns via the provision of information and creating linkages between private sector and relevant national, provincial, district and local departments and state0owned enterprises
		Funding for LED implementation	Compile a database of all potential funding sources for LED implementation
			Package key LED projects and make applications for funding
	Expansion and Development of Strategic Economic Infrastructure	Transportation Infrastructure Capacity and Maintenance (Road, Rail, and Air)	Revitalisation of the Newcastle Airport (lobby with KZN Treasury in line with KZN Regional Airports Strategy)
			Need to regenerate rail line capacity for freight cargo
			Upgrade the road infrastructure, with emphasis on N11 aNd the R35
			Revitalisation of the rail line to support passenger transportation (a new dedicated passenger rail line linking key residential townships feeding into Newcastle)
		Development of Bulk Services and Economic Zones	Encourage investment into development of an ICT Park
			Solar power generation and cogeneration activities
			Development of the Amajuba Hydroponic Techno Park/ Agricultural HUB linked to Dube
			Investigate the development of a new Container terminal/ logistics Hub
			Identification of Newcastle as an industrial zone/ Industrial Park Development
			Horn River Dam Project
			Roll out of ICT infrastructure/Broadband Project
		Urban Renewal and Upgrading	Implementation of the Urban Renewal Program in the Newcastle CBD
			Landscaping and Improvement of Madadeni CBD area
			Landscaping and improvement of Osizweni area
			Western Urban Development Management Area
			Victoria mall extension
		Access to land, sites and Buildings	Undertake and assessment of current industrial land availability and develop a roll out plan
			Identification of vacant farms and development of a plan for rehabilitation
			Investigate development of a Newcastle Chinese Trade Mall
			Madadeni CBD Mall
			Vulintaba Golf Estate
			Petrol Filling Station at Kings Hotel
			Undertake an informal Economy Strategy to key identified challenges and implement recommendations
			Establish a dedicated location for informal Trade with supporting facilities
			Ensure continuous engagement with informal Committees to address constrains

	Effective Support to the Informal Economy and Development of Small Enterprise's	Assistance and Support (especially in Madadeni and Osizweni)	Create a platform with SEDA to ensure support and information is reaching small enterprises
			Develop a package of potential funding sources and promotion amongst small enterprises
		Development of entrepreneurship an Innovation	Establish an annual Small Business Innovation Fair
			Engage with SEDA to identify potential interventions aimed at building entrepreneurship
		Value-Chain Development and Local Procurement	Establish an online SMME and Cooperative database and promotions to large business
			Mainstreaming small enterprises through government tenders and procurement policies
			Identify business opportunities for cooperatives within the public sector in Newcastle
			Roll-out SMME publicity workshops to raise awareness
	Ensuring effective education, skills and capacity development	Skills training and development	Facilitate an SMME business skills program
			Facilitate an Entrepreneurship training and development program
			Facilitate training for informal business
			Establish a Newcastle ICT Skills programme
		Specific Incubation Programmes	Development of manufacturing incubator (with appropriate mentors)
			Encourage development of ICT incubator (to possibly include a Software Engineer Centre)
			Establish SMME incubation facilities
		Development of relationships between industry and SETAs and other tertiary and training institutes	Establish a platform for engagement on skilss development and training among all stakeholders
			Engage with tertiary institutions and business to ensure programs are aligned with industry demand
			Investigate the establishment of additional higher education institutions

3.6.17. NEWCASTLE AIRPORT TECHNO-HUB.

The Newcastle Airport Techno-hub concept is based on the dynamic and integrated trio of institution, enterprise and business whose main aim is to generate innovation. The institution sphere involves knowledge generation through students and research activity which feeds into the enterprise sphere associated with business support, idea generation and training and technology transfer to develop small businesses to eventually expand to become medium to large establishments. These spheres combined, result in innovation and a sustained knowledge economy.

The techno-hub is defined as "an enterprise associated with research, development, design and related activities in the high technology sector which is accommodated in park-type work environment specifically created for the industrial needs of the enterprise concerned."

The main attributes of a technology hub include:

- Specialised Business Park with tenants focused on technology, and scientific research;
- Close alignment to tertiary institutes, and their academic staff: parks linked to wider innovation and collaboration between formal educational institutions; research firms and the end user business;
- Business incubation and support and technological capacity building;
- Creating business synergies;
- Should have good physical infrastructure, steady power, communal services like security and management and often shared business administrative services; and
- Facilities should include, manufacturing, high level training, technology and business incubation, financing institutions, standardization and calibration laboratories, and testing.

The main aim of a techno-hub is the commercialisation of innovative ideas through which products, processes, strategies, and services are formulated to create jobs and to generate wealth in Newcastle. The notion of a techno-hub is supported by all business chambers within Newcastle. Such support is mainly vested upon the anticipated job opportunities which will emanate through the hub. This will have an advantage in terms of the existing pool of advanced wireless and IT companies that are within Newcastle. The benefits of establishing a techno-hub are not only limited to job creation only, but also to investment opportunities and skills development.

The Project is will be executed over a two (2) year period starting from March 2015, and the techno-hub site will be owned by the Municipality as an asset and managed preferably by a separate Municipal Entity. The airport was identified as an integral part of the hub, and the hub entity will be required to include services to the hub such as security, cleaning and other operating facilities. Training facilities will accommodate the National Development Skills Plan (SDPS), and the hub will be in a state that will enable to compete with other International techno-hubs.

3.6.18. SWOT ANALSIS.

STRENGTHS	WEAKNESSES
• Central location to existing industrial centres - Johannesburg and Durban • Good existing agricultural and manufacturing base • Large domestic market - located between the Gauteng, KwaZulu-Natal and Free-State markets • Array of events that occur within Newcastle attracting thousands of people each year, as well as business visitors • Good base of educational and research institutions (a number of higher education institutions including Amajuba college, Damelin, Boston and UNISA) • Relatively reliable transportation network and relatively good basic infrastructure • Relatively safe locality • Close proximity to mining centres – mainly Dannhauser and Mpumalanga	• Lack of value-adding (including agro-processing) • Decline in employment within agriculture and manufacturing • Insufficient funding for the implementation of LED projects • Lack of coordination between the private and public sector (especially provincial and national departments relevant to the project) • Poor institutional support and assistance in the region from public sector. • Red-tape is creating an regulatory and administrative burden for business (incl environmental processes) • Current weak tourism sector • Lack of business retention and expansion • High levels of unemployment • Inadequate infrastructure (road and rail network, and bulk services) • Limited access to credit
OPPORTUNITIES	**THREATS**
• Community development through agro-processing and community agricultural projects • Diversification of the manufacturing sector and development of new value-chains (incl renewable energy products) with a clear vision • Infrastructure development • Opening of new mines in Dannhauser (30 km away) - Newcastle has traditionally provided housing for mining workers • Targeting of national, provincial and regional sporting events and conferences/functions • Capturing of the new emerging skilled workforce • Development of an ICT and Innovation base within Newcastle to stimulate the knowledge	• Increased international competition in both the manufacturing and agricultural sectors, with limited protection or support from government • Threat of mechanisation in both industrial and agricultural development • Increasing input costs (electricity, transport, capital and equipment) • Collapse of the rail network and unreliability of the current rail service • Corruption and a lack of accountability (financial and management) • Worsening climatic conditions which have translated into water scarcity and therefore negatively impacting on

economy (including industrial product design) Investment promotion and facilitation (including development of incentives) • Development of under-utilised or unutilised agricultural and industrial land (vacant farms and industrial lots) – such as an inland logistics hub geared for exports • Promotion of business retention and expansion programmes • Upgrading of the airport • Establishment of industry driven training and skills development through internships and apprenticeships.	farming around Northern KwaZulu-Natal. • National labour regulations which has impacted negatively on the textile industry with little support for the industry by local government • Lack of relevant and suitable skills being produced by FET and tertiary institutions (particularly engineers) • Land reform and associated challenges (poor skills transfer to new farmers, slow process, etc)

3.7. GOOD GOVERNANCE AND PUBLIC PARTICIPATION.

The Newcastle Municipality is a Category B Municipality. It functions under the Collective Executive system, consisting of 9 members. The Mayor is elected from the Executive Committee. The Council consists of 61 councillors of which 10 are full-time councillors. 31 of the 61 councillors are ward elected councillors while the other 30 comprises of proportional representation councillors. The Council has five Portfolio Standing Committees, with members of the Executive Committee serving as a Chairperson and Deputy Chairpersons.

3.7.1. GOOD GOVERNANCE.

3.7.1.1. INTEGOVERNMENTAL RELATIONS.

Newcastle Municipality participate in the District IGR forum which is in two folds, the Mayors Forum and the Technical Forum for Municipal Managers. These Forums gives the strategic and political direction for all municipalities within the District particularly on planning and development. There is also a Growth and Development Summit that is being held annually for municipalities to discuss development agenda for the region. Newcastle being the District bub takes the leading role as well as the centre stage on infrastructure development and economic issues. At the Provincial level, the municipality participate on the Premiers Coordinating Forum and Min-Mec Forum for Municipal Managers. For Economic Issues, the municipality participate on SIP2 forum which is a body coordinated by the KZN Trade and Investment.

3.7.1.2. AUDIT FUNCTION.

Newcastle Municipality is a high capacity municipality and has established its own Audit Committee than using the Shared services function supported by COGTA. The requirement for municipalities and municipal entities to establish Audit Committee is contained in Section 166 of the Municipal Finance Management Act 56 of 2003 and article 14 (2)(a) of the Municipal Planning and Performance Management Regulations 2001.

The Audit Committee is an independent advisory body, appointed by Council to assist Council in discharging their responsibilities.

The Audit Committee Charter sets out the committee specific responsibilities and details the manner in which it will operate. The Audit Committee also functions as the Risk Management Audit Committee and it has 5 members from NLM senior managerial positions emanating from the Risk Management Unit and the Internal Audit Unit. The committee holds about 8 meetings annually whereby issues pertaining to risk management are discussed.

3.7.1.3. OBJECTIVES.

- Maintaining oversight responsibilities of all financial and performance reporting.
- Seek reasonable assurance that the operations of the municipality are conducted efficiently and effectively.
- Seek reasonable assurance that the Council has developed and complies with its policies, plans, procedures and internal controls.
- Seek assurance that the Council complies with relevant legislation, regulations and professional pronouncements.

3.7.1.4. INTERNAL AUDIT.

- Review and approve the Internal Audit Charter
- Review of the Audit Committee Charter and submit to council for approval
- Advise Council as to whether the internal audit unit is given the resources and operational independence required to fulfil its role as outlined in the Internal Audit Charter.
- Review and approve the annual risk based internal plan
- Ensure that all identified risk areas are prioritized and incorporated in the annual audit plan.
- Receive and review the quarterly internal audit report on the implementation of the internal audit plan and any of the matters relating to:

- ✓ Internal Audit
- ✓ Internal controls
- ✓ Accounting procedures and practices
- ✓ Risk and risk management
- ✓ Performance management
- ✓ Loss control
- ✓ Compliance with the Municipal Finance Management Act, division of Revenue Act (DORA) and any other applicable legislation
- ✓ Investigate any other matter as requested by the Municipal Manager

- Receive reports prepared by the internal audit unit on significant findings and recommendations to address those findings together with management responses with timeframes to implement recommendations.
- Ensure that all findings and recommendations as per 4.1.7 are adequately addressed by management.

3.7.1.5. INTERNAL CONTROL.

- Evaluate the overall effectiveness of the internal control and risk Management frameworks and consider whether recommendations made by the internal and/or external auditors have been implemented by management.
- Assess whether proper adequate accounting records are being maintained.
- Ensure that Council has the necessary policies in place to protect and safeguard assets and to ensure legal compliance with all relevant legislation. Examples - Prevention of Fraud Policy, Procurement Policies

3.7.1.6. MUNICIPAL GOVERNANCE STRUCTURES.

The Newcastle Municipality has 61 democratically elected councillors which constitute the council. Council meets at least monthly and is the final decision making body within the municipality.

The Executive Committee (EXCO) is responsible for the day-to-day running of the organization, and decision making. They meet regularly to receive reports from the Municipal Manager. EXCO is supported by the following portfolio committee, who serve as oversight structures in respect of various line functions and responsibilities of the municipality:

Table 44: Portfolio Committees

PORTFOLIO	INITIALS AND SURNAME

Finance Chairperson	Cllr. A.F.Rehman : **Mayor**
Technical Services Chairperson	Cllr. R.N. Mdluli: **Deputy Mayor**
Technical Services Deputy Chairperson	Cllr. J.A. Vorster
Community Services Chairperson	Cllr. N.P. Kunene
Community Services Deputy Chairperson	Cllr. T.Z. Hadebe
Development Planning Chairperson	Cllr. M. Shunmugan
Development Planning Deputy Chairperson	Cllr. S.B.M.Lukhele
Corporate Services Chairperson	Cllr. B.S. Ntombela
Corporate Services Deputy Chairperson	Cllr. R.B. Ndima

In addition, the municipality has established a Municipal Public Accounts Committee (MPAC) to oversee the expenditure and accountability for public funds entrusted to the municipality. The structure and current membership of this committee is indicated on the table below:

Table 45: Municipal Public Accounts Committee

PORTFOLIO	INITIALS AND SURNAME
Finance MPAC	Cllr. M.V. Buhali
MPAC	Cllr. J.K. Gabuza
MPAC	Cllr. T.S. Hlabisa
Development Planning MPAC	Cllr. S.B.M. Lukhele
MPAC	Cllr. H.S. Madonsela
Finance & Development Planning MPAC	Cllr. M.G. Mlangeni
MPAC	Cllr. G.A. Mncube
Community Services MPAC	Cllr. D.O. Shabalala
MPAC	Cllr. D.E. Tshabalala
Technical Services MPAC	Cllr. S.J. Zulu
Finance MPAC	Cllr. T.M. Zulu
MPAC	Cllr. N.A. Zwane

3.7.1.7. RISK MANAGEMENT.

Newcastle Municipality has implemented risk management system in compliance with Section 62 (1) (c) (i) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), which requires the Accounting Officer/Municipal Manager to take all reasonable steps to ensure that the Municipality has and maintains effective , efficient and transparent systems

of risk management and internal controls. Newcastle Municipality recognizes risk management as a critical part of the Municipality's strategic management; which is a process whereby the Municipality both systematically and intuitively mitigates the risk attached to its strategic objectives with the ultimate goal of achieving sustained benefit within each programme and across the portfolio of activities. Risk Management is therefore recognized as an integral part of sound organizational management and is being promoted throughout the Municipality as good management practice for ensuring good governance.

Like all other government institutions, Newcastle Municipality also face uncertainty, and the challenge for management is to determine how much **uncertainty** the Municipality is prepared to accept as it strives to grow stakeholder value. Uncertainty presents both risk and opportunity, with the potential to erode or enhance **value**. Newcastle Municipality recognizes that value is maximized when management sets objectives to strike an optimal balance between growth and related risks, and effectively deploys resources in pursuit of the Municipality's objectives.

3.7.2. PUBLIC PARTICIPATION.

3.7.2.1. MECHANISMS FOR PARTICIPATION.

Public participation is important to determine the exact needs that exist in the communities in relation to the developmental priorities during the public meetings and information gathering. The Newcastle Municipality will be utilizing the following mechanisms for public participation when developing its IDP.

- **IDP Representative Forum (IDP RF):** This forum represents all stakeholders and key interested and affected parties. This includes the Ward Committees, AmaKhosi, Non-Governmental Organizations (NGOs), Community Based Organisations (CBOs), Organized Business, Faith Organizations and organized agriculture.
- **Media:** Local newspapers will be used to inform the community of the progress of the IDP and further due meetings' including the IDPRF and community road shows.
- **Radio Slots:** The Newcastle Community radio station will be used to make public announcements where necessary.
- **The Newcastle Website:** The Newcastle Municipality's website will also be utilized to communicate and inform the community. Copies of the IDP and Budget will be placed on the website for communities, general stakeholders and service providers to download.

- **Ward Committees:** The Newcastle Municipality has adopted the Ward Committee policy which has resulted to the establishment of ward committees. The municipality considers ward committees as one of the institutional bodies to fast-track service delivery and deepen democracy. Ward Committees represents a wide range of community interest through the IDP RF meetings and their inputs are always considered. They also being used to disseminate the information about the developmental agenda of the municipality.
- **IDP/ Budget Road Shows:** The Newcastle Municipality hosts its community road shows through ward committee system to publicize the draft IDP and Budget during April and May 2015. The venues for these meetings are publicized at the IDP RF, public places and as well as through the local print media.

3.7.2.2. WARD COMMITTEE SYSTEM.

The Municipality has thirty one (31) wards, and each ward has a Ward Committee constituted of ten (10) members. In line with the requirements of Outcome 9, all of these wards combined at a municipal wide level and shall constitute a region. The region shall be divided into three (3) zones, *viz*;

- Zone A which will have 10 wards.
- Zone B which will have 10 wards.
- Zone C which will have 11 wards.

The Ward Committee system is structured according to the following fora:

- Regional Ward Committee Fora,
- Zonal Ward Committee Fora,
- 31 Ward Committees.

The Public Participation and IDP Directorate, established in the Office of the Municipal Manager and supports the Speaker, is responsible to ensure that the ward committees are functional in line with an approve Ward Committee policy. Furthermore, as part of the government programmes stream-lined towards the improvement of good governance, the Provincial government shall be rolling out workshops on the role of ward committee members in the implementation of the Back to Basics Programme and Newcastle Municipality is to benefit from the programme.

The functionality of Ward Committees are monitored through the submission of ward reports regarding Ward Committee Performance, which basically assesses the performance

of Ward Committees within Newcastle. The performance is measured in terms of the following indicators:-

- Number of Ward Committee Meeting held – 1 per month;
- Number of Ward Committee Meetings chaired by the Councillor – 1 per month;
- Percentage of attendance – 50 plus 1;
- Number of community meetings held – 1 per quarter;
- Number of sectoral reports – 10 per month; and
- Number of reports submitted to the municipality – 1 per quarter.

The assessments are made on a quarterly basis, namely, the periods between July – September, October – December, January – March, and April – June of each year. The following entails the common challenges that have surfaced based on the report:-

- In general, the overall performance of the Newcastle Ward Committees is satisfactory. However, there are some challenges in certain wards whereby Councillors are not convening the ward committee meetings in line with the requirements of the policy. Such wards include wards 3, 13, 19, and 25.
- The stringent measures are being implemented by the Office of the Speaker to improve the situation.
- Newcastle Municipality has convened Constituency meetings across all 31 wards as part of strengthening democracy and governance structures within the municipality. It also played an integral role to cascade the service delivery information and information sharing within the governance structures.
- Furthermore, a Capacity Building Training for all Ward Committees is to be facilitated by the Public Participation Unit whose main purposes is to train Ward Committees on municipal processes.

3.7.3. SWOT ANALYSIS.

STRENGHTS	WEAKNESSES
• Well established and functional IGR structures. • Well-functioning MPAC and well established internal audit function. • Risk management strategy and in-house capacity. • Functional portfolio committees that	• Failure to obtain a clean audit report from the Auditor General. • Implementation of policies. • Legislative compliance.

perform an oversight function. • Public involvement in municipal affairs. • Functional ward committees. • Good governance systems. • New offices.	
OPPORTUNITIES	**THREATS**
• Support from national and provincial government. • Public confidence and good media coverage • Publicity and good marketing campaigns	• Constant changes in local government legislation and policies. • Political violence and intolerant • Slow pace of service delivery which may spark service delivery protests.

3.8. FINANCIAL VIABILITY AND SUSTAINABILITY/PROFILE.

3.8.1. FINANCIAL MANAGEMENT POLICIES.

The following Financial Policies have been developed and adopted by the municipality:

- Asset Management Policy
- Cash Management & Investment Policy
- Credit Control Policy
- Supply Chain Management Policy
- Municipal Property Rates Policy
- Credit Control, Debt Collection and Customer Care Policy
- Tariff Policy

3.8.2. PROPERTY RATING SYSTEM.

The municipality implemented the new valuation roll compiled in terms of the Property Rates Act, 6 of 2004, since July 2009. All properties under the jurisdiction of the Newcastle Municipality are now included in a single valuation roll. This Act has assisted the

municipality to raise its revenue and be able to be financially viable and to render sustainable services in an effective manner.

3.8.3. FINANCIAL PERFORMANCE.

The revenue base of the Municipality has increased from R851 014 835 in 2009 to R1 420 050 630 in the financial year ended 30 June 2014. This represents phenomenal growth ranging from 53% in 2010, a slight decline of 8% in 2011 and 20% increase from 2011 to 2012. The 20% growth in 2012 was attributed to Landfill Site Provision Adjustment of R50, 7 million and Doubtful Debt Adjustment of R137 million. These adjustments were mere book entries, and thus not indicative of revenue actually earned, during the year under review. The last two year's increases were significantly higher than the inflation rates which is indicative of good performance by the Municipality, although there was slight decline of 8%, which was caused by the reversal of impairment of investment in UThukela Water of R363 801 328.00, in 2010 which was a mere book entry and thus not indicative of revenue actually earned. All major revenue streams showed a sharp increase of 28% in 2011 if we ignore the effect of reversal of impairment of investment in UThukela Water and acceptable increase of 10% in 2012, which is a comforting scenario.

Table 46: Changes in Revenue (2009 to 2012)

Year	Total Revenue (R)	% Increase
2012	1 420 050630	20%
2011	1 182 506 661	-8%
2010	1 289 670 253	53%
2009	850 774 918	

From the table above, the municipality generates more than half its total revenue base from service charges, which is 48%. The other significant sources of revenue are Property Rates 11%, and Government grants and Subsidies 25%. All other revenue sources are not considered significant and have not formed part of this analysis. The percentage contributions of various income sources to total income have remained constant in the years under consideration save for the Property rates which used to contribute 19% in 2008 and have shrunk to around 11% in 2012. The Government Grants and Subsidies on the same token have increased by 91% from 2009 to 2012.In the Analysis below, the focus is on the material revenue contributing elements in order to analyse their behaviour. In total these contributed R1 195 320 900 to the Municipality's R1 420 050 630 revenue in 2012, which represents over 84% of the Municipalities revenue base.

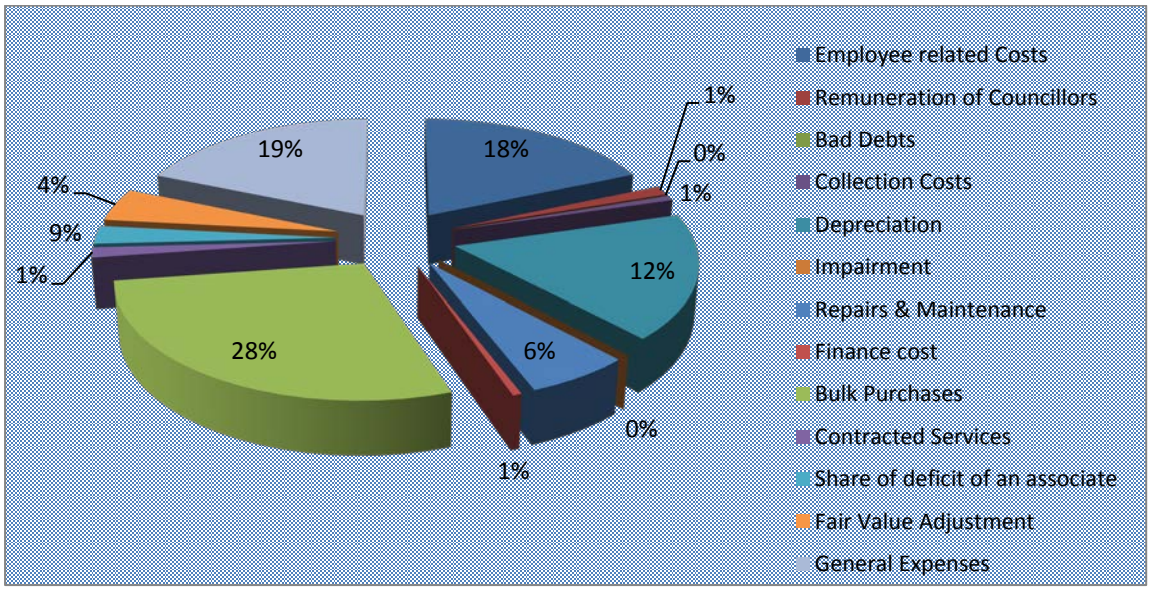
Table 47: Contribution by Revenue Elements

Item	% Contribution 2012	2012 (R)

Item	% Contribution 2012	2012 (R)
Property Rates	11%	157 893 000
Service Charges	48%	683 860 407
Rental of facilities and equipment	0%	5 703 174
Interest earned - External Investments	2%	23 125 136
Fines	0%	1 572 104
Governments Grants & Subsidies	25%	352 567 493
Doubtful adjustment debts provision	10%	137 038 490
Landfill site provision adjustment	4%	50 765 425
Other Income	0%	6 525 401
Total Revenue	**100%**	**1 420 050 630**
Percentage Increase		**20%**
Contributions by material revenue elements		**1 195 320 900**
%Contributions by material revenue elements		**84%**

The following graph depicts a contribution of major revenues elements:

Figure 32: Contribution by Revenue Elements



The table below reflects the movement in these revenue streams in the period under consideration. The pattern has, indeed, been erratic and therefore very little conclusions can be reached at this stage. There could very well, be cut-off or allocation issues in the presented numbers. The exercise has not, at this stage, zoomed into an in-depth analysis. The following tables depict movements of major revenue sources:

Table 48: Movement of Major Revenue Sources

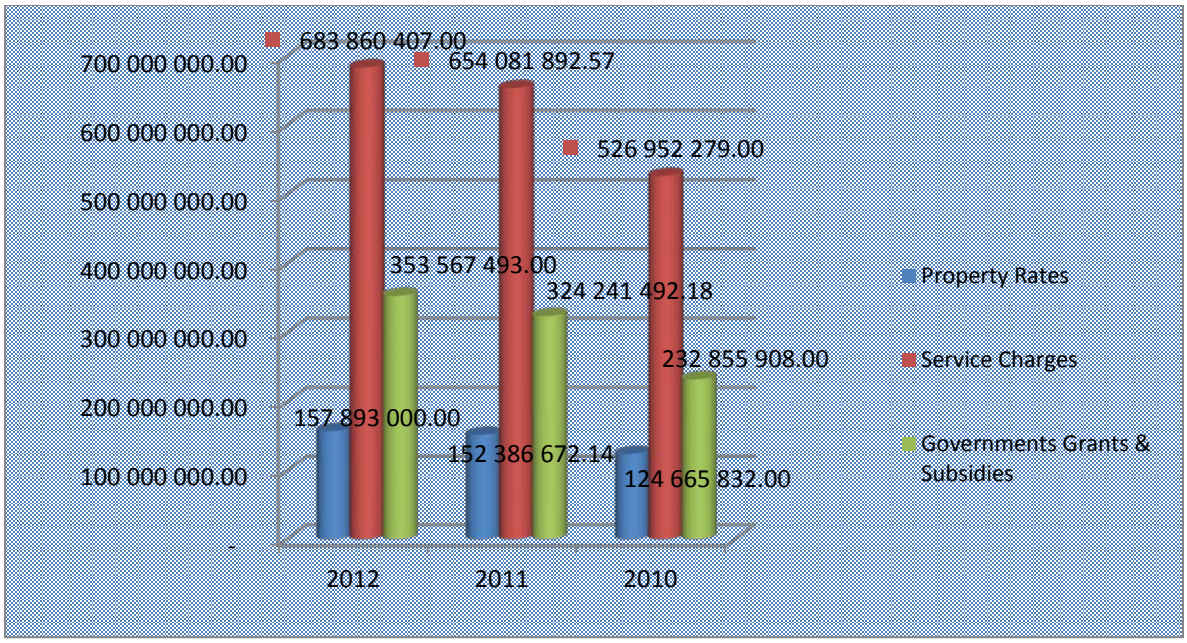
Line Item	2009 (R)	2010 (R)	2011 (R)	2012 (R)
Property Rates	158 969 934	124 665 832	152 386 672	157 893 000
Service Charges	459 394 986	526 952 279	654 081 893	683 860 407

Line Item	2009 (R)	2010 (R)	2011 (R)	2012 (R)
Governments Grants & Subsidies	184 135 143	232 855 908	324 241 493	353 567 493

Line Item	Increase (Decrease)		
	2010	2011	2012
Property Rates	-28%	22%	4%
Service Charges	15%	24%	12%
Governments Grants & Subsidies	26%	39%	9%

The following is a graphical presentation of the patterns of movements of these elements.

Figure 33: Movement of Major revenue Sources



3.8.4. EXPENDITURE

The total expenditure of the Municipality has decreased from R1 327, 6 billion in 2011 to R1 230, 1 billion in 2012. The decrease of 8% is as result of our revision of provision for doubtful debts which decreased significantly due to risk profiling exercise which was conducted by the independent ICT Company. The consequence of the sharp decline in doubtful debt provision resulted in municipality not accounting for debt impairment in the Statement of Financial Performance.

As evident from the table below, moreover, the trends in increases of expenditure far outweigh those in revenue indicating that, at face value, the Municipality has a serious challenge to curb expenses. Whereas it is understood that the sharp increase of expenditure increase is caused by the government call to improve and speed up service delivery to the poor and needy communities in the backdrop of "service delivery protests" to which the municipality has responded so well, nonetheless if these trends continue there will be a major challenge to afford the operations of the Municipality with the revenues that it generates, unless if new revenue streams are identified and exploited.

Table 49: Expenditure Patterns (2009 – 2012)

Year	Total Expenses (R)	% increase/(decrease)
2012	1 230 100 471	(-8%)
2011	1 327 668 613	58%
2010	837 794 672	(-6%)
2009	891 283 864	

Below is a table of the proportionate contributions of each expenditure element to total expenses. The major expenditure drivers for the municipality are the following:

- Bulk purchases
- Employee related costs
- General expenses
- Depreciation, amortisation and impairments.

The table below depicts contribution of major expenditure items to total expenditure:

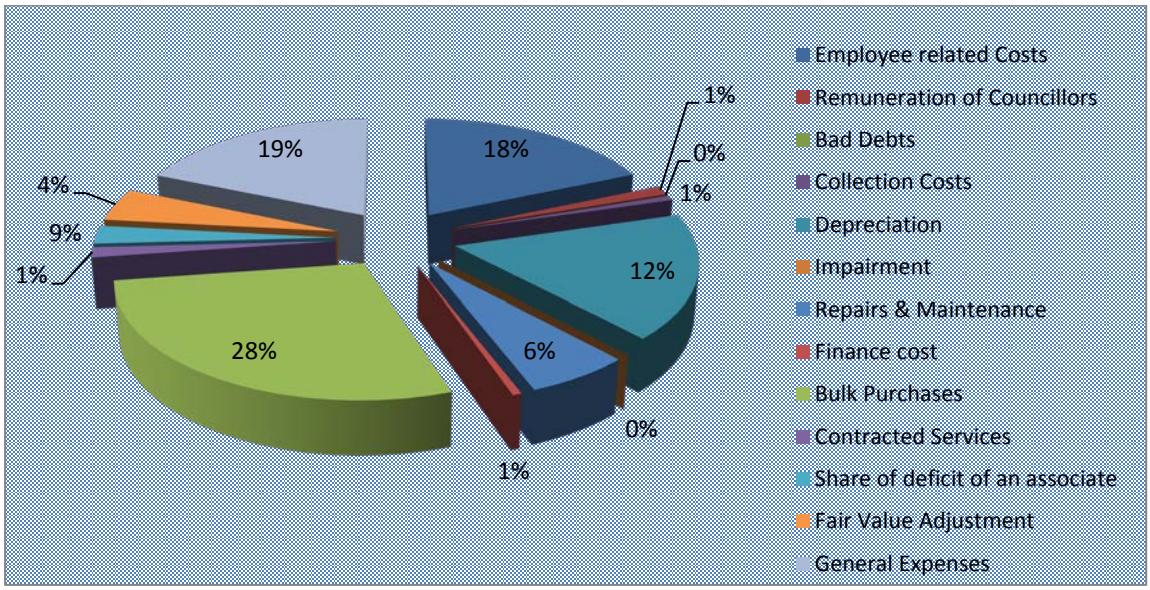
Table 50: Major Expenditure Items

Item	% Contribution 2012	2012
Employee related Costs	19%	230 600 985
Remuneration of Councillors	1%	16 193 188
Share of deficit of an associate	9%	112 405 248
Collection Costs	1%	8 534 242
Depreciation	18%	219 845 295
Repairs & Maintenance	6%	71 410 980
Finance cost	1%	6 650 041
Bulk Purchases	28%	349 411 144
Contracted Services	1%	17 530 983
General Expenses	12%	152 656 453
Fair Value Adjustments	4%	44 861 453
Total Expenditure	**100%**	**1 230 100 471**

Item	% Contribution 2012	2012
Percentage Increase/(Decrease)		(-8%)
Contributions by material expenditure elements		952 513 877
%Contributions by material expenditure elements		77%

The chart below further illustrates contribution of the major expenditure elements to total expenditure of the municipality:

Table 51: Major Expenditure Elements



The focus is on the major expense elements, i.e. employee costs, bulk purchases, General Expenses and depreciation, amortization. These expenditure items account for R952 513 877 of total expenditure of the municipality's R1 230 100 471, representing a 77% contribution to total expenses. The municipality needs to be applauded because the contribution of employee related costs is20% of total expenditure compared to other municipalities' country wide. This percentage is significantly lower than the prescribed threshold of 33% determined by the National Treasury. Conversely it needs to be mentioned

that critical vacant positions need to be filled in order to ensure adequate service delivery. The lower employee contribution has an adverse impact in service delivery as well support function to service delivery (i.e. Treasury and Budget Office in particular) and this aspect is discussed under organisational environment. The following table depicts movements of major expenditure drivers:

Table 52: Major Expenditure Drivers

Item	2012 (R)	2011 (R)	2010 (R)	2009 (R)
Employee related Costs	230 600 985	189 471 534	165 846 425	130 614 345
Depreciation	219 845 295	222 122 758	224 589 958	214 834 172
Bad Debts	0	174 136 888	69 147 301	104 227 317
Bulk Purchases	349 411 144	283 223 432	219 348 022	166 031 719
General Expenses	152 656 453	332 324 243	61 436 986	205 021 701
Total Expenditure	**952 513 877**	**1 091 191 721**	**820 064 375**	**866 629 668**

During the same period our analysis of General Expenses revealed an erratic pattern as it showed 68% decrease from 2009to 2010, 68% decrease from 2009 to 2010,441% increase from 2010 to 2011 and 43% decrease from 2011 to 2012. It should be mentioned however, that the 43% decrease in the current year was due capitalisation of UThukela Water agency fees amounting to R114 million to Investment in Associate.

Our analysis indicates that this could be as a result of grants from both National Treasury and Provincial Government which has increased over the years sharply in recent year. The grants that the municipality have are:

- Municipal Infrastructure Grant;
- Neighbourhood Development Grant;
- Financial Management Grant;
- Systems Development and Support Grant; and
- Other Grants.

Like the revenue assessment, it appears that there could be allocation challenges pertaining general expenses in 2010 as it showed erratic pattern when compared with the other year being analysed.

Despite the fact that we did not account for bad debts impairment due risk profiling exercise, the outstanding Debt of R824, 5 million remain a challenge. This scenario is disconcerting as it may have a negative impact on our liquidity position if not addressed as a

matter of extreme urgency. The take is that there is a need to embark on a solution that will yield a serious debt collection drive to curb to this situation from deteriorating further. Water, sewer, waste disposal and rates in east (former townships) are a critical factor to the strategy to reduce bad debts. It is known by the leadership of the municipality that disconnection cannot be used as a tool at this stage as electricity which can be disconnected is supplied by Eskom. The East has 75% bad debts. The implementation of water flow regulators was once discussed as one of the strategies but was not pursued until the constitutionality of such was confirmed. The avenue that should be considered is getting a licence to be the distributor of electricity in the East.

We have developed 10 point Debt Management Plan to assist the municipality in curbing and collecting outstanding debtors. The plan encapsulates the following important aspects:

- Appointment of field workers;
- Clarify roles and responsibilities of field workers;
- Friendly legal process;
- Outstanding accounts with no queries to be forwarded to the respective consumers for making necessary payment arrangements;
- Investigate the possible use of call centre for debt collection purpose;
- Progress reports on government debtors;
- Progress reports on staff and councillors debt;
- Identify section 21 schools and address collections;
- Identify additional staff requirements for debt management holistically and communicate with COO;
- Options in respect of Debt Management service;
- Investigate use of the service provider for meter reading compared to performing in-house;
- Fast track installation of water meters;
- Monitor accuracy of readings;
- Investigate the use of meter readers to also deliver accounts;
- Develop internal control for quality assurance on the delivery of accounts;
- Investigate E-account option for delivery of accounts;
- Install water restrictors;

- Indigent verification;
- Phased approach for data cleansing;
- Capacitate staff and field workers;
- Develop marketing and communication strategy;
- Incentive scheme – staggered approach to promote culture of payment;

The implementation of the plan is in its early stage and it is hoped that it will yield result once fully implemented.

Furthermore, it needs to be mentioned that R104 Million relating to Water Services (UTW) is actually an investment by Newcastle Municipality to UThukela Water and as such was capitalized during consolidation process in 2010/2011 financial year.

The table below further illustrates increases in the major expenditure items:

Table 53: Major Expenditure Items

Item	% Increase/(Decrease)		
	2010	2011	2012
Employee related Costs	27%	14%	22%
Depreciation, amortization and impairment	5%	-1%	-2%
Bulk Purchases	32%	29%	23%
General Expenses	-68%	441%	-43%

3.8.5. NET OPERATIONAL PERFORMANCE.

Evidently the Surpluses of the Municipality have demonstrated erratic pattern as we recorded a deficit amount to R86 million in 2009, R372 million surplus in 2010, R145 million deficit in 2011 and R189 million surplus in 2012. As we alluded to earlier we still need to perform in-depth analysis of General expenses. The extent of sustainability of revenue and the ability to increase the revenue base is, at this stage under scrutiny, thus increasing the risk of affordability of the operational expenses moving forward. An urgent understanding of these expenses and how they can best be managed is necessary to ensure that the municipality remains a financially viable.

However, our assessment reveal that the situation is not as dire as it appear, also taking into account the fact that an amount of R219 Million relates to depreciation of assets, which in its very nature a book entry to achieve fair presentation in our financial statements, but not the amount actually spent. The table below depicts our financial performance for the past four (4) years:

Table 54: Financial Performance for the Last Four Years

Year	Total Revenue	Total Expenditure	Surplus/ (Deficit)	% Increase/(Decrease)
2012	1 420 050 630	1 230 435 257	189 615 373	**239%**
2011	1 182 506 661	1 327 668 613	-145 161 952.00	**(-139%)**
2010	1 289 670 253	917 490 355	372 179 898.00	**532%**
2009	851 014 835	937 184 278	-86 169 443.00	

It is evident from the table above that the municipality's current operational performance is healthy, save for general expenses that need further scrutiny.

3.8.6. SURPLUS.

In order to elucidate the above-mentioned statement further, it is critical to note that although we achieved an operating surplus of R189 million, it is always prudent to eliminate non-cash items recorded in the Statement of Financial Performance in order to gauge our operational performance. The table below demonstrate that if the municipality eliminates non-cash items, surplus is in fact R378, 9 million.

Table 55: Surplus

Line Item	2012
Surplus	189 615 373
Less: Doubtfull Debt Provision Adjustment	-137 038 490
Less: Landfill Site Provision Adjustment	-50 765 425
Plus: Share of deficit of Associate	112 405 248
Plus: Fair Value Adjustments	44 861 862
Plus: Depreciation and Amortisation Expense	219 845 295
Surplus	**378 923 863**

Although this scenario look good at face value, caution need to be exercised as revenue earned did not translate to actual cash at the bank, which is why it imperative to intensify our debt collection.

3.8.7. INDIGENT SUPPORT AS OF 31AUGUST 2011.

In terms of the Credit Control, Debt Collection and Customer Care Policy, the monthly household earnings of an indigent application is capped at R1,900 but be limited to R3,000 for old aged pensioners and poor households. The onus lies with the applicant to come forward and register for indigent support in line with the Council approved indigent policy. At 31 June 2010 there were 22 739 indigents registered for indigent support and 4176 for electricity, which is an on-going process. The Free Basic Services is funded through the equitable share which is received from National Government. These FBS figures are alarming and it is becoming scary and a concern for the municipality to attend to skills development programs in order to curb low income per household. However, all account holders who qualify for indigent support are encouraged to register accordingly.

22 000 people applied to be registered on the indigent list for the municipality in 2010 and, as of July 2014 the figure had dropped drastically to 18 415, marking a 16.3% decrease. However, based on figures from the 'Summary of Registered Indigent Account Holders' (July 2014 – June 2015), as of January 2015, there has been a slight increase in the list to 18 973, marking an increase by 13.3%. The wards with the highest concentration of indigents are represented on the table below:-

WARD	NO. OF INDIGENTS
WARD 20	1 501
WARD 14	1 286
WARD 9	1 270
WARD 10	1 239
WARD 17	1 119
WARD 11	1 047
WARD 24	1 023

3.8.8. SWOT ANALYSIS.

STRENGHTS	WEAKNESSES
• Implementation of the MPRA. • Supply chain management systems. • Integrated Financial Management System. • Surplus. • Indigent support.	• Non-payment for services, particularly in the MBO. • Increase in expenditure in relation to revenue generated. • Debt collection. • Increase in list for indigent support and Free Basic Services. • Limited access to funding in relation to

	need.
OPPORTUNITIES	**THREATS**
• Support from Treasury and COGTA. • New municipal property rates system.	• Corruption. • Poor implementation of the supply chain and financial management policies.

3.9. DEVELOPMENT TRENDS AND PATTERNS.

3.9.1. REGIONAL ROLE AND SIGNIFICANCE OF NEWCASTLE.

The identification of Newcastle as an important secondary investment node with potential for industry, agriculture and tourism, indicates its importance on a regional and provincial scale. Newcastle is strategically located halfway between Johannesburg and the harbours of Durban and Richards Bay, and is well connected to these centres by means of both rail and road infrastructure. The N11, P612 and the P483 are some of the roads running through the NLM serving a national, provincial and regional function.

The town serves as an administrative and economic hub for the north-western part of KwaZulu-Natal. This includes the whole of Amajuba District and some of the surrounding areas in Mpumalanga Province and Umzinyathi District. This raises a key question whether the town is developed with sufficient infrastructure and has enough capacity to play its role as a sub-regional economic hub. Some of the critical infrastructure includes tertiary education and health facilities, regional government offices and sports facilities. Equally important is the ability to create employment opportunities and absorb the urbanising labour force. Therefore, planning for the future development of the NLM should go beyond a narrow focus on local issues and incorporate regional social and economic issues.

3.9.2. URBANISATION – SUSTAINABLE HUMAN SETTLEMENTS.

Urbanisation is the process in which the number of people living in cities increases compared with the number of people living in rural areas. An area is considered to be urbanised when over 50% of its population lives in urban places. Rate of urbanisation in Newcastle has been very rapid, resulting in the development of settlements along P483 in particular as linear settlements from KwaMathukuza through JBC to Khathide in the north.

Rapid urbanisation brings with it many problems as it places huge demands on land, water, housing, transport and employment. In Newcastle like many other South African Towns, apartheid has made the problems of urbanisation more complex. Urbanisation of black

people was made difficult by forcing them to live in areas far from the town. With the lifting of racial restrictions on where people may live and work, many unemployed people have migrated to urban centres such as Newcastle in search of work, bringing their families with them. The shortage of accommodation in town has forced them to live in informal settlements hence the informal settlements that are spread throughout the area with huge concentrations in the eastern areas. Land under the control of Ubuhlebomzinyathi Community Authority has also been specifically targeted as these areas present opportunities for a rural lifestyle in an urban context.

This presents the municipality with a challenge to devise strategies to manage the urbanisation phenomenon, and ability to undertake pro-active planning in anticipation of population growth. All housing projects undertaken to-date have been reactive.

3.9.3. ROADS AND STORMWATER.

Local government has a constitutional duty to provide basic services and Newcastle Municipality is no exception. In conjunction with both national and provincial plans, Newcastle Municipality is required to build infrastructure in order to grow the capacity of the economy, boost various sectors of the economy with a specific emphasis for faster growth and address the inequality that marginalize the poor in the second economy. In terms of road infrastructure, over 80% of all roads in Newcastle are in a poor state, of which 704km are unpaved with 254km surfaced roads. The gravel roads constitute 404km of roads. In an attempt to address this, the municipality has intensified their roads programs over the past 5 years, which addresses primary and secondary roads. Newcastle Municipality has a huge legacy in addressing the basic needs. The challenge is also due to spatial inefficiency in ensuring that rural communities also enjoy the same benefits as those enjoyed by urban communities. In this regard, roads and transport plays a critical role in facilitating the movement of goods and services and rural areas to urban centres. The accommodation of storm-water has a tremendous influence on the life of a road. This requires the municipality also to focus on storm-water management in order to increase the life span of the roads. While the municipality focuses on upgrading new roads, they also need to do maintenance on the existing roads in order to keep the municipal area an accident free.

3.9.4. INEFFICIENT SPATIAL STRUCTUTURE.

While the regional economic development forces remain one of the main structuring elements within the NLM, the past apartheid policies have had a profound impact on the

structure and functionality of the area. It fragmented communities, marginalised their economic activities and undermined their participation in the economy. It located people in areas with poor access to urban services and facilities, and effectively entrenched the philosophy of unequal development.

The NLM could broadly be described as an apartheid region in the sense that it embodies most if not all the attributes of apartheid spatial patterns. These include the following:

- Low density sprawl which is fuelled in the Newcastle West by anti-city values of suburbia which promotes large plots as an image of good urban living. Factors that contribute to urban sprawl includes continued existence of low density residential suburbs designed in terms of garden city concepts, and entrenched into the Town Planning Scheme through inflexible density controls and scheme clauses such as coverage, minimum site sizes and permissible uses, and easy access to land for settlement in the east.
- Cellular development pattern that occurs in relatively discrete pockets based on the introverted concept of neighbourhood unit or super block. This has given rise to a coarse grain urban environment characterized by single dwelling units and building ancillary thereto on large plots of land (garden city concept). As such there is a high impact on available land in relation to population size, and travel within the city is costly in terms of time. This gives rise to inefficiency in the use of energy, transportation and movement, and delivery of services.
- Separation of land uses, urban elements, races and income groups. The dominant land use pattern resembles a series of relatively homogenous blobs of different uses tied together by high speed transport routes. The separation of places of work and residence was deeply entrenched in the philosophy of urban management. A large number of the poor are living on the urban periphery further away from the opportunities.
- Despite businesses being attracted to decentralised locations, the central area has shown some resilience in that new businesses have moved in to occupy space vacated by those who have moved to decentralised locations. However, decay/decline is evident in some sections of the central area.
- The combined consequences of these spatial patterns have been phenomenal leaving the area with entrenched inequality and functional inefficiency. It created islands of spatial affluence in a sea of geographical misery (CSIR, July 2002:4). It created a distorted, fragmented, incoherent and inefficient settlement pattern. It also gave rise to spatial, social and economic exclusion of certain race groups to the benefit of other, and created a poorly functioning land and housing market.

3.9.5. ECONOMIC STAGNATION.

Over the last few decades, the economy of the Newcastle Municipality area of jurisdiction experienced variable trends marked, in all, by shift from one sector to the other and general decline in both output and performance. Although some mining activities are still evident in the area, it is no longer appropriate to regard Newcastle as a coal mining town. The same applies to agriculture. Both sectors have shed a number of jobs and their contribution to the local economy is at the lowest point ever. Manufacturing remains the main economic activity in the NLM, but is itself facing a number of structural challenges which if not addressed at this juncture will relegate this sector into insignificance. These challenges include the dominance of the clothing and textile sub-sector which implies the lack of economic diversity, poor labour conditions in some of the factories and lack of new investment.

In the light of this, there is an urgent need to redefine the role of Newcastle in the provincial and national economy. This may include the identification of new sectors, diversification of some existing factors and strengthening functional integration between Newcastle Town and the surrounding rural hinterland. Tourism development is also one of the key sectors that need to be explored.

3.9.6. POOR ACCESS TO SOCIAL FACILITIES.

Huge backlogs in the delivery of public services have been identified as one of the key issues facing Newcastle Municipality. It manifests itself in the following forms:

- Poor condition of schools, which does not contribute to building a culture of learning and teaching.
- Poor access to institutions for early childhood education. This field has been identified by the national government as a priority area of intervention.
- Poor access to health services which affects delivery of primary health care. The latter is a strategy used by the national government to deliver health services.
- Poor access to library services which also affects the development of a culture of learning and teaching.
- Poor access to welfare services including pension pay points, magistrate services, etc.
- Poor access to cemeteries.

Attention should be given to lack of sport fields, parks and swimming pools in the MBO area in order to revive the sport in Newcastle considering that the municipality has a history of producing world stars on soccer.

3.9.7. INFRASTRUCTURE BACKLOG.

Access to basic services is one of the main elements of socio-economic wellbeing of an area. The status of the physical and economic development level of a community such as that of Newcastle is often measured based on the provision and quality of infrastructure for technical services, i.e. access to roads, electricity, water and sanitation. These are found to be a huge challenge for Newcastle Municipality whereas the town suffers from maintaining of existing services while rural areas have no basic services at all. In addition, the Newcastle Local Municipality is challenged with the maintenance and development of basic road and storm water infrastructure to serve the local community, particularly in the Newcastle East. This will be severely constrained by limited financial resources. Public transport plays an important role in the economy of Newcastle and deserves some attention in the planning efforts of the municipality.

3.9.8. POOR QUALITY OF THE ENVIRONMENT.

The quality of the environment within the NLM requires an urgent attention. This is symbolized mainly by the following:

- Deteriorating quality of water due to mining activities, pit latrines, use of pesticides and fertilizers, and other water contaminating activities.
- Poor air quality due to emissions. Equipment for air quality monitoring is in place but has not been maintained. Closer collaboration with local industries needs to be developed in this regard.
- Urbanization which results in the establishment of settlements in areas that is unsuitable for human habitation. These include flood lines, wetlands, etc.
- Waste collection and disposal. The municipality needs to work together with local communities, particularly in the townships to develop community based programs for keeping the area clean.
- General lack of active open space in the NLM, particularly the township areas.
- Dirt roads which also contribute to a sterile environment.

3.9.9. FINANCIAL MANAGEMENT AND ACCOUNTING.

The general lack of requisite knowledge by the finance team on GRAP/GAMAP requirements culminates in:

- An inability to account for financial accounts in line with GRAP/GAMAP accounting standards;
- Reliance on consultants in preparing financial statements in line with GRAP/GAMAP requirements by municipalities already converted from IMFO to GRAP/GAMAP;
- Lack of preparedness by those municipalities still to convert to GRAP/GAMAP requirements; and
- Financial systems not geared towards GRAP/GAMAP requirements.

In addition, the financial diagnostic report identifies the following challenges in financial administration, management and reporting within municipality:

- Lack of systems of internal controls to manage assets evidenced by asset registers not updated when acquisitions, impairments or disposals are made. Reconciliations' of the asset register to the general ledger not performed. Further, the existence of assets cannot be ascertained due to a lack of ongoing process to verify them.
- Inadequate revenue collection systems within municipalities evidenced by low recovery of amounts owed for municipal services from consumer debtors, Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts, Lack of advice to the council on revenue enhancement mechanisms.
- Lack of month end discipline resulting in month end closure not performed, critical month end reconciliations not performed, inability to identify completeness of recording of transactions, and inability to report meaningfully to the municipal structures on financial performance;
- Poor record management resulting in difficulties in tracing financial records supporting the financial affairs of the municipality;
- Lack of processes to identify and manage unauthorised, irregular and wasteful expenditure;
- Issues raised by the Office of the Auditor General not followed up and cleared on time.

3.9.10. HIGH RATE OF POVERTY.

Poverty manifests itself in different dimensions with income poverty and human poverty being the most common. Income poverty refers to the lack of sufficient income to satisfy basic food needs and essential non-food needs such as clothing, energy and shelter. It arises

from a high rate of unemployment, poor access to productive resources, lack of marketable skills and general lack of job opportunities.

Human poverty broadly refers to the lack of basic human capabilities and it arises from high representation of the members who cannot read, write and numerate food insecurity, malnutrition, declining life expectancy, increase of sickness and deaths related to preventable diseases and poor access to basic services. Overcrowding also contributes to this situation.

3.9.11. IMPACT OF HIV AND AIDS.

Accurate statistical information about the prevalence of HIV and AIDS in the NLM could not be obtained. However, AIDS has generally been identified as one of the key factors that will influence development over the next few decades. HIV and AIDS will lead to a range of social and economic problems including the following:

- Increase in the dependency ratio as the number of the economically active who dies of AIDS increase.
- Increase in the number of orphans, which in turn may put strain on the limited welfare budget.
- Decline of population with 20 and below years of age.
- Increase in the number of households with members who need special care and treatment thus putting burden on their families, particularly women who are often the ones who look after the seek in addition to their daily activities
- Slowing of population growth.
- Lack of income in cases where breadwinners die of AIDS.
- Low productivity rate.

3.9.12. DEBT MANAGEMENT.

Newcastle Municipality has a total debt roll amounting to R 748 934 335. The majority of this is more than 180days old. Individual households account for R647 851 436 of this amount while government departments owing about R23 174 411. This situation arises from a number of factors including the following:

- Lack of control over excessive water leaks is the main and major contributing factor for low payment factor – where does a person start paying an account when it amounts to thousands of rands.
- Indigent using excess water – about 14100 indigent accounts have arrears of R 178 million leaving only about 7000 accounts having balances of less than R 500.
- Electricity meter audit not yet finalized – awaiting technical section report
- Lack of community and or buy in from communities
- No policies regarding water leaks other than that account is to be paid
- Need an improved customer care facility, i.e. call centre, with a proper query recording system.

However, the politicians are showing the political will to resolve this predicament by resolving that a Task Team needs to be established with a clear plan to improve the payment factor.

3.9.13. LACK OF FINANCIAL DISCIPLINE.

Lack of systems of internal controls to manage assets evidenced by:

- Asset registers not updated when acquisitions, impairments or disposals are made;
- Reconciliations of the asset register to the general ledger not performed;
- Regular verifications of assets to ascertain existence and condition not in place.

A lack of these processes contribute to delays in the submission of financial statements due to difficulties encountered in reconciling general ledger / trial balance to corresponding supporting schedules. Further, the existence of assets cannot be ascertained due to a lack of ongoing process to verify them.

Inadequate revenue collection systems within municipalities evidenced by:

- Low recovery of amounts owed for municipal services from consumer debtors;
- Lack of procedures to enforce recovery of debts or follow-up on outstanding amounts,
- Lack of advice to the council on revenue enhancement mechanisms.
- Extraordinarily large provisions for doubtful debts being posted on the Annual Financial Statements.
- Lack of month end discipline resulting in month end closure not performed, critical month end reconciliations not performed, inability to identify completeness of recording

of transactions, and inability to report meaningfully to the municipal structures on financial performance;

- Poor record management resulting in difficulties in tracing financial records supporting the financial affairs of the municipality;
- Lack of processes to identify and manage unauthorised, irregular and wasteful expenditure;
- Issues raised by the Office of the Auditor General not followed up and cleared on time.

3.9.14. SKILLS.

Section 83 of the MFMA prescribes that the accounting officer, senior managers, the Chief Financial Officer and other financial officials of a municipality must meet the prescribed financial management competency levels. The following skills are critical for finance staff:

- Knowledge of generally recognised accounting practise at transaction level (i.e. inability to account for financial accounts correctly through basic principle of debit and credit),
- Understanding of the importance of month end closure,
- Understanding of reconciliations and their purpose,
- Adequate supervision of staff activities,
- Ability to present meaningful monthly management reports and provide sound advice to the council,
- Ability to prepare annual financial statements in accordance with applicable generally recognised accounting standards.

3.10. KEY ISSUES BY KPAS.

KEY PERFORMANCE AREAS	KEY ISSUES
Spatial Rational	• The role of Newcastle as a regional hub in the northern part of KZN. • Spatial fragmentation between Newcastle East and Newcastle West. • Low density largely informal urban sprawl particularly in Newcastle East. • Increase in the isolated and dislocated settlements such as Ingogo. • Lack of housing opportunities for the poor in and around the CBD. • Settlements occurring in environmentally sensitive areas. • Implementation of a wall-to-wall scheme.
Municipal	• Appointment of females and the disabled in senior management positions.

KEY PERFORMANCE AREAS	KEY ISSUES
Transformation and Organisational Development	• Implementation of Municipal Turn Around Strategy. • Developing systems for effective information management and institutional memory. • Ongoing staff training and capacity building. • Ability to attract and retain qualified and experienced staff in technical and financial management functions.
Service Delivery and Infrastructure Analysis	• Aging infrastructure in Newcastle West. • Service backlogs in JBC and surrounding rural settlements. • Lack of spare capacity in the water treatment works. • Storm water management. • Dirt roads in the MBO. • Poorly located landfill site. • Informal settlements. • Lack of social housing opportunities.
Local Economic and Social Development	• Lack of investment. • Lack of structured support for the SMMEs. • Decline in the agricultural sector. • Decentralisation of shopping facilities and increase in the number of shopping centres. • Opportunities in the coal mining sector.
Municipal Financial Viability and Management	• Debt collection. • Revenue generation. • Implementation of the MPRA. • Financial management.
Good Governance and Public Participation	• Legislative compliance.

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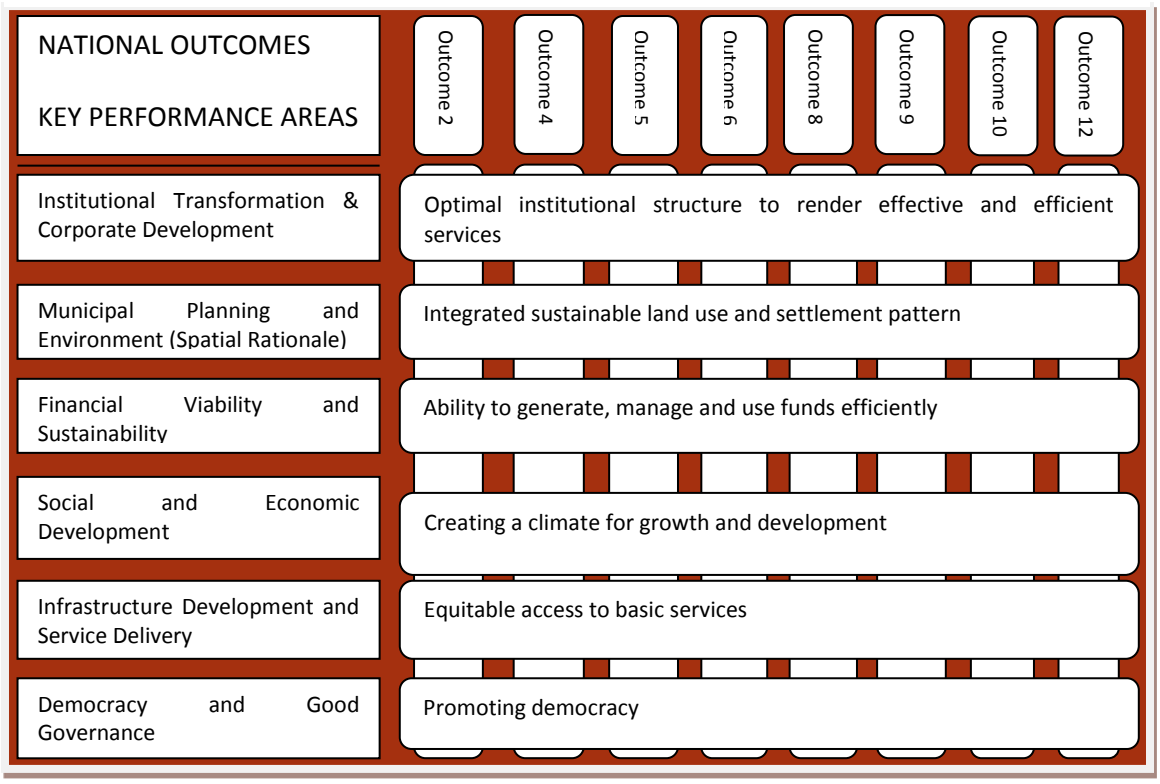
SECTION 4:
VISION, GOALS, OBJECTIVES AND STRATEGIES

4. DEVELOPMENT STRATEGY.

The development strategy of the NLM is designed to fit-in and give effect to the intention of both the national and provincial development strategies. This includes, within the national development plan, Vision 2030 and various government programs. NLM IDP also fits within the provincial development framework as set out in the PGDS. The NLM strategy covers the following:

- Strategic fit (alignment with national and provincial development strategies).
- NLM long-term strategic direction and organizational culture.
- NLM short to medium term strategies and action plans.
- In addition, the IDP also considers the emerging national and provincial long term strategic plans as encapsulated in the Draft National Development Plan and the Draft Provincial Growth and Development Strategy. Given its strategic location in the northern part of KwaZulu-Natal, Newcastle Municipality will make a significant contribution towards the implementation and attainment of the strategic objectives of each of these strategic plans. Again, it is critically important to ensure that the IDP aligns with these

Figure 34: Strategy Map


NATIONAL OUTCOMES
KEY PERFORMANCE AREAS
Outcome 2
Outcome 4
Outcome 5
Outcome 6
Outcome 8
Outcome 9
Outcome 10
Outcome 12
Institutional Transformation & Corporate Development
Optimal institutional structure to render effective and efficient services
Municipal Planning and Environment (Spatial Rationale)
Integrated sustainable land use and settlement pattern
Financial Viability and Sustainability
Ability to generate, manage and use funds efficiently
Social and Economic Development
Creating a climate for growth and development
Infrastructure Development and Service Delivery
Equitable access to basic services
Democracy and Good Governance
Promoting democracy

The strategic approach is meant to highlight the impact that the municipality seeks to create in the short to long term period. As indicated on Figure 29 above, in addition to outcome 9, the NLM will contribute to the attainment of outcomes 2, 4, 5, 6, 8, 9, 10 and 12 with the 5 KPAs as the strategic areas for intervention. As such, the development strategy for the NLM is designed to address issues that are specific to the NLM while also contributing to the attainment of the national priorities.

4.1. VISION, MISSION AND CORE VALUES.

The following vision and mission statements for Newcastle Municipality were formulated at a strategic planning session with active participation of both the political and administrative components of the municipality. The vision commits the municipality to sustainable, integrated, equitable and effective development.

4.1.1. NEWCASTLE MUNICIPALITY DEVELOPMENT VISION.

BY 2030 NEWCASTLE MUNICIPALITY WILL BE A SUSTAINABLE AND ECONOMICALLY VIBRANT CITY-REGION THAT AFFORDS ITS CITIZENS A HIGH QUALITY OF LIFE.

- SUSTAINABLE DEVELOPMENT
- INTEGRATED DEVELOPMENT
- EQUITABLE DEVELOPMENT
- EFFICIENCY AND EFFECTIVENESS

4.1.2. MISSION STATEMENT.

Newcastle Municipality commits itself to the following Mission Statement:

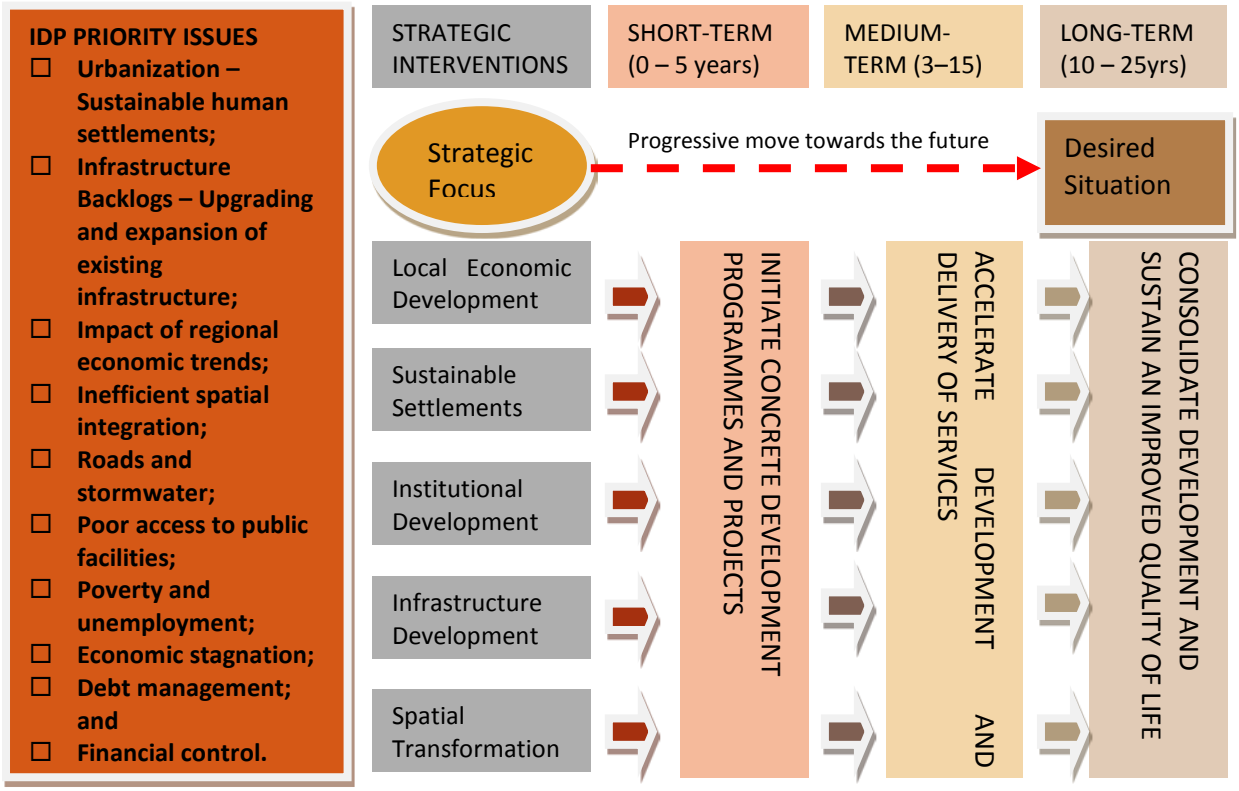
- **Render sustainable services.**
- **Creating an environment conducive for economic growth.**
- **To become the Regional Centre for Investment attraction for Northern KZN.**
- **Improve service delivery.**
- **Offer good governance and public participation.**
- **Best ITC municipality in the local government sphere.**

The mission statement acknowledges the objects of local government as outlined in various local government legislation and given effect through the IDP and the associated sector

plans. It also seeks to align the municipal strategic activities, structure and resource allocation with
the powers and functions as prescribed in the Constitution.

4.1.3. LONG-TERM GOALS.

Figure 35: Long-term Goals



The NLM development strategy is based on a long-term vision, but acknowledges the significance of issues that need to be addressed in the short to medium term. As such, the municipality has formulated development goals that seek to address the challenges facing the institution currently and reposition the area in a development path as follows:

- To develop Newcastle as a service and industrial hub.
- To eradicate all forms of poverty and destitution/indigence.
- To be an example of service and governance excellence.
- To improve the quality of life.
- To achieve environmental sustainability.
- To promote gender equality and empowerment.

4.2. IDP STRATEGIC OBJECTIVES.

4.2.1. INSTITUTIONAL TRANSFORMATION AND CORPORATE DEVELOPMENT.

INSTITUTIONAL TRANSFORMATION AND CORPORATE DEVELOPMENT.								
Outcome 9	**Objective No.:**	**Strategic Objective**	**Strategy No.:**	**Strategy**	**KPI No.:**	**KPI**	**Target (2015/16).**	**Responsible Department/Vote**
Output 6: Administrative and financial capability.	**IT1**	To ensure the optimal institutional structure to render effective and efficient services aligned to the IDP.	**IT1.1**	To provide efficient and effective general administrative support services.	**IT1.1.1**	Average turnaround time for the filling of a vacancy.	14days	**SED: Corporate Services**
			IT1.2	Implementation and review of the organogram with adequate capacity.	**IT1.2.1**	% of employees assisted/consulted as requested.	100%	**SED: Corporate Services**
					IT1.2.2	% completion of placement process as per the revised Organizational Structure	100%	**Municipal Manager**
					IT1.2.3	Number of departments which completed job descriptions.	7	**SED: Corporate Services**
					IT1.2.4	% of critical posts filled as identified and approved by Municipal Manager (as budgeted).	100%	**SED: Corporate Services**
					IT1.2.5	Number of posts filled as budgeted.	1 678	**SED: Corporate Services**
					IT1.2.6	% of Municipal budget actually spent on implementing its workplace skills plan.	(7 878 640) 100%	**SED: Corporate Services**
					IT1.2.7	Compliance with submission of Employment Equity Report by 01 October.	Submission of Employment Equity Report by 01 October	**SED: Corporate Services**
					IT1.2.8	Number of people from employment equity target groups employed in the three highest levels of	23	**SED: Corporate Services**

						management.		
			IT1.3	To develop, plan and participate in knowledge sharing with other municipalities.	**IT1.3.1**	Number of knowledge sharing meeting arranged.	**6**	**All SED's**
Output 6: Administrative and financial capability.	**IT2**	To ensure productive and competent human capital.	**IT2.1**	To facilitate human resource development.	**IT2.1.1**	Successful submission of the WSP to LGSETA by 30 April.	Submit WSP to LGSETA 30 April 2016	**SED: Corporate Services**
					IT2.1.2	Number of departmental team-building sessions held.	1	**SED: Corporate Services**
					IT2.1.3	Number of interventions arranged for Workplace Skills Development.	460	**SED: Corporate Services**
					IT2.1.4	Number of policies reviewed and developed.	2	**SED: Corporate Services**
Output 6: Administrative and financial capability.	**IT3**	To ensure effective and efficient administrative support services.	**IT3.1**	To provide efficient and effective IT support services and systems.	**IT3.1.1**	Number of ICT Steering Committee meetings.	4	**Municipal Manager**
					IT3.1.2	Percentage of the ICT Strategic Plan Implemented.	33,3%	**Municipal Manager**
					IT3.1.3	% of uptime maintained.	96%	**Municipal Manager**
					IT3.1.4	Number of Disaster Recovery Tests conducted	2	**Municipal Manager**
					IT3.1.5	Number of ICT Security Audits.	4	**Municipal Manager**
					IT3.1.6	Number of ICT policies reviewed.	4	**Municipal Manager**

4.2.2. GOVERNANCE AND PUBLIC PARTICIPATION.

GOVERNANCE AND PUBLIC PARTICIPATION.								
Outcome 9	**Objective No.:**	**Strategic Objective**	**Strategy No.:**	**Strategy**	**KPI No.:**	**KPI**	**Target (2015/16).**	**Responsible Department/Vote**
Output 6: Administrative and financial capability.	**GP4**	To ensure good governance through openness, transparency and accountability in the organization.	**GP4.1**	To strengthen executive support to services.	**GP4.1.1**	% of operational issues addressed as referred by Municipal Manager (grievances).	100%	**Municipal Manager**
					GP4.1.2	Compliance with record keeping checklist.	100%	**Municipal Manager**
					GP4.1.3	Number of Manco meetings convened.	12	**Municipal Manager**
					GP4.1.4	Annual review of Delegations System by 30 June 2016.	Annual review of Delegations Systems by 30 June 2016.	**Municipal Manager**
					GP4.1.5	Number of Batho Pele campaigns facilitated.	2	**Municipal Manager**
					GP4.1.6	Reviewed and Adopted IDP by 31 May 2016.	Adoption of IDP by 31 May 2016 for implementation on the next financial year.	**Municipal Manager**
Output 1: Implement a differentiated approach to municipal planning and support.	**GP5**	To keep the communities and stakeholders informed and involved in the affairs of the municipality.	**GP5.1**	To improve both internal and external communication.	**GP5.1.1**	Annual review of Public Participation Policy by 30 June 2016.	Annual review of Public Participation Policy by 30 June 2016.	**Municipal Manager**
					GP5.1.2	Number of training interventions for Ward Committees (March 2016).	1	**Municipal Manager**
					GP5.1.3	Annual Mayoral IDP/Budget/PMS Roadshows.	1	**Municipal Manager**
					GP5.1.4	Number of External Newsletters Published and distributed.	4	**Municipal Manager**
					GP5.1.5	% of issues addressed as raised by the public.	100%	**Municipal Manager**
					GP5.1.6	% of media/communication queries addressed by the	100%	**Municipal Manager**

						Communication Unit.		
			GP5.2	To develop the communication policy.	**GP5.2.1**	Approved Communication Policy/Strategy by June 2016.	Approved Communication Policy/Strategy by June 2016	**Municipal Manager**
					GP5.2.2	Draft Citizens Charter.	Implementation and monitoring of Citizens Charter	**Municipal Manager**
Output 6: Administrative and financial capability.	**GP6**	To ensure good governance through openness, transparency and accountability in the organization.	**GP6.1**	To develop and implement an effective Performance Management System.	**GP6.1.1**	Annual review of PMS Policy by 31 May 2013.	Annual review of PMS Policy by 31 May 2016.	**Municipal Manager**
					GP6.1.2	Quarterly performance reports submitted to Internal Audit within 25 days of end of quarter.	4	**Municipal Manager**
					GP6.1.3	% of section 54/57 Managers formally evaluated by no later than June 2016.	100%	**Municipal Manager**
					GP6.1.4	Annual Performance Report submitted to the Auditor General by 31 August 2015.	Annual Performance Report submitted to the Auditor General by 31 August 2015.	**Municipal Manager**
					GP6.1.5	Approval of Oversight Report and adoption of Annual Report by 31 March 2016.	Approval of Oversight Report and adoption of Annual Report by 31 March 2016.	**Municipal Manager**
Output 6: Administrative and financial	**GP7**	To ensure good governance through openness, transparency and accountability in the	**GP7.1**	To maintain and implement an effective Risk Management System.	**GP7.1.1**	Reviewed Risk Management Policy and Strategy, as well as Fraud and Corruption Policy and Strategy.	Reviewed Risk Management Policy and Strategy, as well as Fraud and Corruption Policy and Strategy by 30 June 2016.	**Municipal Manager**
					GP7.1.2	Quarterly reports on implementation of risk management action plan.	4	**Municipal Manager**
					GP7.1.3	Number of anti-fraud and corruption workshops facilitated.	1	**Municipal Manager**

capability.		organization.			**GP7.1.4**	Finalised risk assessment and compilation of risk register by 31 May 2016.	Finalised risk assessment and compilation of risk register by 31 May 2016.	**Municipal Manager**
					GP7.1.5	Quarterly reports on implementation of AG ACTION PLAN to Audit Committee.	4	**Municipal Manager**
					GP7.1.6	Quarterly reports on compliance with legislation to Audit Committee.	4	**Municipal Manager**
Output 6: Administrative and financial capability.	**GP8**	To ensure an effective internal audit function.	**GP8.1**	To provide Independent Objective Assurance and Consulting Services that add value and improve operations of the municipality.	**GP8.1.1**	Annual review of audit charters by May 2016.	Annual review of audit charters by May 2016	**Municipal Manager**
					GP8.1.2	Number of audit committee meetings facilitated.	6	**Municipal Manager**
					GP8.1.3	% completion against internal audit plan.	100%	**Municipal Manager**
					GP8.1.4	Quarterly progress reports on Implementation of Internal Audit recommendations to Audit Committee.	4	**Municipal Manager**
Output 6: Administrative and financial capability.	**GP9**	To ensure good governance through openness, transparency and accountability in the organization.	**GP9.1**	To provide effective and efficient legal support services.	**GP9.1.1**	% of legal opinions finalised as requested.	100%	**Municipal Manager**
					GP9.1.2	Development and maintenance of applicable legislation database.	Development of database.	**Municipal Manager**
					GP9.1.3	Number of Council bylaws, policies and procedures reviewed.	8	**Municipal Manager**
					GP9.1.4	Turnaround time for addressing objections.	60 days.	**Municipal Manager**
					GP9.1.5	Turnaround time for addressing disciplinary matters.	3 months.	**Municipal Manager**

4.2.3. FINANCIAL VIABILITY AND SUSTAINABILITY.

FINANCIAL VIABILITY AND SUSTAINABILITY.								
Outcome 9	**Objective No.:**	**Strategic Objective**	**Strategy No.:**	**Strategy**	**KPI No.:**	**KPI**	**Target (2015/16).**	**Responsible Department/Vote**
Output 6: Administrative and financial capability.	**FV10**	To ensure sound financial and fiscal management and good governance.	**FV10.1**	To ensure compliance with financial reporting in terms of the relevant legislative requirements.	**FV10.1.1**	Compliance with MFMA reporting obligations as per MFMA calendar.	100%	**SED: Budget and Treasury Office**
			FV10.2	To ensure an effective and efficient Supply Chain Management System.	**FV10.2.1**	Turnaround times for bids at 90 days and for quotations 30 days (Tenders/Quotations).	Turnaround times for bids at 90 days and for quotations 30 days (Tenders/Quotations).	**SED: Budget and Treasury Office**
					FV10.2.2	Review of Draft SCM Policy by 31 March 2015 and be approved on the 31st of May 2015.	Review of Draft SCM Policy by 31 March 2015 and be approved on the 31st of May 2016.	**SED: Budget and Treasury Office**
			FV10.3	To ensure a sound Asset Management System.	**FV10.3.1**	Review and approval of Asset Management Policy by 31 May 2015.	Review and approval of Asset Management Policy by 31 May 2016.	**SED: Budget and Treasury Office**
			FV10.4	To ensure compliance with budget planning and implementation.	**FV10.4.1**	Approved adjustment budget by 31 May 2015 and Approved budget by 28 February 2015.	Approved Annual Budget by 31 March 2016 and adjustment budget by 31 May 2016.	**SED: Budget and Treasury Office**
					FV10.4.2	% of municipal capital budget actually spent as per approved cashflows.	90%	**Office of the Municipal Manager**
Output 6: Administrative and	**FV11**		**FV11.1**	To improve the payment factor by 2% basis points by June 2014.	**FV11.1.1**	Increase of payment factor increase by 2 percentage basis points by 30 June 2016.	75%	**SED: Budget and Treasury Office**
					FV11.1.2	Financial viability in terms of debt coverage.	15%	**SED: Budget and Treasury Office**
					FV11.1.3	Financial viability in terms of cost coverage.	2 months	**SED: Budget and Treasury Office**
						Financial viability in terms		**SED: Budget and**

financial capability.		To ensure a financially viable municipality.			**FV11.1.4**	of outstanding service debtors.	146%	**Treasury Office**
			FV11.2	To facilitate processes to enhance revenue.	**FV11.2.1**	Number of Revenue Enhancement meetings facilitated.	4	**SED: Budget and Treasury Office**
			FV11.3	To implement sound cash management practices.	**FV11.3.1**	Compilation of monthly banks reconciliations within 10 working days.	12	**SED: Budget and Treasury Office**

4.2.4. MUNICIPAL PLANNING AND ENVIRONMENT.

MUNICIPAL PLANNING AND ENVIRONMENT.								
Outcome 9	**Objective No.:**	**Strategic Objective**	**Strategy No.:**	**Strategy**	**KPI No.:**	**KPI**	**Target (2015/16).**	**Responsible Department/Vote**
Output 4: Actions supportive of the human settlements outcome.	**MP12**	To ensure the development and maintenance of a credible IDP	**MP12.1**	To develop the IDP Process Plan in line with the legislation.	**MP12.1.1**	Number of IDP RF meetings held.	2	**Municipal Manager**
					MP12.1.2	Number of sector plans co-ordinated and/or reviewed.	2	**Municipal Manager**
			MP12.2	To develop the IDP in line the 3rd Generation IDP Guidelines.	**MP12.2.1**	Reviewed IDP by 31 May 2014.	Reviewed IDP by 31 May 2016.	**Municipal Manager**
Output 4: Actions supportive of the human settlements outcome.	**MP13**	To develop an efficient and effective land use management system so as to promote a rational and harmonious land use activity system.	**MP13.1**	To undertake efficient and effective planning enforcement.	**MP13.1.1**	% of reported/identified cases of land use contraventions responded to.	90%	**SED: DP&HS**
			MP13.2	Preparation of the Land Use Scheme covering the entire municipal area in terms of SPLUMA	**MP13.2.1**	Preparation of the Land Use Scheme covering the entire municipal area in terms of SPLUMA	Finalise Land Use Scheme covering the entire municipal area in terms of SPLUMA	**SED: DP&HS**
			MP13.3	Administration of the Town Planning Scheme.	**MP13.3.1**	% compliance to prescribed timeframes and requirements for inputs from all relevant parties.	100% compliance	**SED: DP&HS**
			MP13.4	Develop policies and bylaws for planning.	**MP13.4.1**	Number of policies and bylaws formed and	1	**SED: DP&HS**

						reviewed.		
			MP13.5	To undertake efficient and effective building controls.	**MP13.5.1**	Average turnaround time for the approval of Building Plans.	10 days for residential, and 18 days for commercial and industrial buildings.	**SED: DP&HS**
					MP13.5.2	% of illegal buildings addressed as identified and reported.	100%	**SED: DP&HS**
Output 4: Actions supportive of the human settlements outcome.	**MP14**	To ensure an effective and integrated Geographic Information Management System.	**MP14.1**	Upgrading of the GIS System.	**MP14.1.1**	Purchase hardware.	N/A	**SED: DP&HS**
					MP14.1.2	Purchase CAD Software.	N/A	**SED: DP&HS**
			MP14.2	GIS Data Management	**MP14.2.1**	% of updated data received from municipal and sector departments.	100% updated data in relation to data received in the specific quarter.	**SED: DP&HS**
			MP14.3	GIS System integration with other municipal systems.	**MP14.3.1**	Mapping of infrastructure projects on GIS.	N/A	**SED: DP&HS**
			MP14.4	Maintenance of the current GIS System	**MP14.4.1**	Number of staff trained	N/A	**SED: DP&HS**
Output 4: Actions supportive of the human settlements outcome.	**MP15**	To create human settlements that are economically viable, aesthetically pleasant, habitable and vibrant.	**MP15.1**	Uplifting of communities socially, economically and environmentally, including infrastructure development.	**MP15.1.1**	Approved JBC Urban Hub Precinct Plan by 30 June 2016.	Approved JBC Urban Hub Precinct Plan by 30 June 2016.	**SED: DP&HS**
			MP15.2	To promote focused Urban Renewal in the Madadeni, Blaaubosch (including Cavan and Johnstown) and Osizweni areas including the greater Newcastle area.	**MP15.2.1**	Finalization and submission of Business Plans for funding.	Preparation of Project Concept Plans for approved Business Pans.	**SED: DP&HS**

			MP15.3	To provide enablers for local communities towards an improved quality of their lives.	**MP15.3.1**	Number of MBO Forum held.	4	**SED: DP&HS**
Output 4: Actions asupportive of the human settlements outcome.	**MP16**	To promote spatial restructuring and integration.	**MP16.1**	To produce plans, policies and strategies to guide and manage development.	**MP16.1.1**	Approved Spatial Development Framework inclusive of Local Area Development Plans.	Approved Spatial Development Framework by 30 June 2016.	**SED: DP&HS**
					MP16.1.2	Preparation of atleast one Local Area Plan.	Approval of one Local Area Plan by 30 June 2016.	**SED: DP&HS**
					MP16.1.3	Approved JBC Urban Hub Precinct Plan by 30 June 2016.	Approved JBC Urban Hub Precinct Plan by 30 June 2016.	**SED: DP&HS**
Output 4: Actions supportive of the human settlements outcome.	**MP17**	To promote sustainable development and environmental awareness.	**MP17.1**	To provide a framework for Environmental Management.	**MP17.1.1**	Approved structure inclusive of the Environmental Management Unit.	N/A	**SED: DP&HS**
			MP17.2	To ensure compliance with environmental legislation and regulations.	**MP17.2.1**	Approved Environmental Management Framework (EMF) by 30 June 2015.	N/A	**SED: DP&HS**
			MP17.3	To improve environmental awareness.	**MP17.3.1**	% of Communication Plan implemented.	100%	**SED: DP&HS**
Output 4: Actions supportive of the human settlements outcome.	**MP18**	To facilitate the provision of housing in line with the national and provincial norms and standards.	**MP18.1**	To reduce housing backlogs to meet the provincial and national targets.	**MP18.1.1**	Number of houses built.	700	**SED: DP&HS**
					MP18.1.2	Number of Serviced Sites for Human Settlements projects.	380	**SED: DP&HS**
			MP18.2	Development and implementation of a Housing Sector Plan.	**MP18.2.1**	Revised Housing Sector Plan.	Annual Review of Housing Sector Plan.	**SED: DP&HS**
			MP18.3	Promotion of a variety of housing typologies and densities in and around nodal points.	**MP18.3.1**	Number of applications for funding submitted to the Department of Human Settlements.	2	**SED: DP&HS**
					MP18.3.2	Number of informal settlements upgrade.	Initiate in-situ upgrading of Stafford Hill and Roypoint (Vezukuhle).	**SED: DP&HS**

Output 4: Actions supportive of the human settlements outcome.	**MP19**	To promote sustainable human settlements in rural areas (Land Reform areas).	**MP19.1**	Liaison with the Dept. of Human Settlements and Rural Development.	**MP19.1.1**	Number of sites released for disposal.	15	**SED: DP&HS**
			MP19.2	To develop and maintain a reliable Housing Waiting List database.	**MP19.2.1**	% of housing database updated.	100%	**SED: DP&HS**
			MP19.3	Promotion of Security of Tenure.	**MP19.3.1**	Number of house transferred	40	**SED: DP&HS**
Output 4: Actions supportive of the human settlements outcome.	**MP20**	Efficient management of the municipal real estate.	**MP20.1**	To create a Municipal Land Bank.	**MP20.1.1**	Number of pieces of land acquired for development.	5	**SED: DP&HS**
			MP20.2	To review the Municipal Land Disposal Policy.	**MP20.2.1**	Review Land Disposal Policy by 31 December 2014.	N/A	**SED: DP&HS**
			MP20.3	To conduct a Municipal Land Audit.	**MP20.3.1**	Land Register and Final Report by 30 June 2016.	Land Register and Final Report by 30 June 2016.	**SED: DP&HS**
Output 4: Actions supportive of the human settlements outcome.	**MP21**	Management of municipal housing.	**MP21.1**	To keep municipal housing stock in good condition.	**MP21.1.1**	Number of flood victims houses built	2	**SED: DP&HS**
Output 4: Actions supportive of the human settlements outcome.	**MP22**	Promoting the development of integrated human settlements.	**MP22.1**	Prepare the Rural Development Strategy.	**MP22.1.1**	Finalise the Rural Development Strategy.	N/A	**SED: DP&HS**
Output 4: Actions supportive of the human settlements outcome.	**MP23**	Provision of cemetery services in accordance with the relevant legislation.	**MP23.1**	Manage maintenance and operations of cemeteries.	**MP23.1.1**	Detailed geotechnical and hydrological investigation.	Finalise geotechnical and hydrological investigation for Cemetery Sites by 30 June 2016.	**SED: DP&HS**
					MP23.1.2	% of complaints addressed.	100%	**SED: Community Services**
					MP23.1.3	% of new entries with regards to burials captured electronically.	100%	**SED: Community Services**

4.2.5. INFRASTRUCTURE DEVELOPMENT (SERVICE DELIVERY).

INFRASTRUCTURE DEVELOPMENT (SERVICE DELIVERY).								
Outcome 9	**Objective No.:**	**Strategic Objective**	**Strategy No.:**	**Strategy**	**KPI No.:**	**KPI**	**Target (2015/16).**	**Responsible Department/Vote**
Output 2: Improving access to basic services.	**ID24**	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality's jurisdictional area.	**ID24.1**	To ensure that the water and sanitation service is rendered in an efficient and affordable manner.	**ID24.1.1**	Number (as well as percentage) of households with access to potable (drinkable) water.	82 692 (98%)	**SED: Technical Services**
					ID24.1.2	Number (as well as percentage) of households with access to sanitation.	62 405 (74%)	**SED: Technical Services**
					ID24.1.3	Appointment of service provider to develop a strategy to take over of UTW functions.	N/A	**Municipal Manager**
			ID24.2	To promote water conservation and environmental awareness.	**ID24.2.1**	Annual review of WSDP by 31 January 2015.	Approved WSDP annual review by 31 January 2016.	**SED: Technical Services**
					ID24.2.2	Number of awareness campaigns to promote water conservation and environmental awareness.	24	**SED: Technical Services**
					ID24.2.3	Reduction of water losses by 2% per annum for NRW.	43%	**SED: Technical Services**
					ID24.2.4	Approved Business Plans for rural areas and urban areas.	N/A	**SED: Technical Services**
			ID24.3	To develop the Capital Investment Program.	**ID24.3.1**	% spent of capital budget as per approved cash flows (DWA funding).	90%	**SED: Technical Services**
					ID24.3.2	% completion of Asset Replacement Plan.	Draft Asset Replacement Plan (pipes, pump stations)	**SED: Technical Services**

Output 2: Improving access to basic services.	**ID25**	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure.	**ID25.1**	Maintenance of Council buildings in an acceptable condition.	**ID25.1.1**	% of municipal building maintenance plan implemented	90%	**SED: Technical Services**
			ID25.2	To provide streets beautification and pavements.	**ID25.2.1**	m² of sidewalks paved.	3 340m²	**SED: Technical Services**
			ID25.3	To develop and implement the Roads and Stormwater Infrastructure Plan.	**ID25.3.1**	m² of sidewalks paved.	3 340m²	**SED: Technical Services**
					ID25.3.2	Km's of roads resealed.	9km	**SED: Technical Services**
Output 2: Improving access to basic services.	**ID26**	To ensure access to electricity and other forms of energy where applicable.	**ID26.1**	To provide electricity within the Newcastle Municipality Licensed Areas.	**ID26.1.1**	Number of solar geysers installed.	N/A	**SED: Electrical and Mechanical Services**
					ID26.1.2	Number of households with access to electricity connection in the Eskom Licensed Area.	66 963	**SED: Electrical and Mechanical Services**
			ID26.2	To facilitate the supply of electricity outside the areas licensed with Eskom.	**ID26.2.1**	Approved ESDP by 30 June 2016	Approved ESDP by 30 June 2016	**SED: Electrical and Mechanical Services**
					ID26.2.2	Number as well as percentage of households with access to electricity-new connections.	81 185 (96.6%)	**SED: Electrical and Mechanical Services**
			ID26.3	To improve the electricity network in the Newcastle Municipality Licensed Areas.	**ID26.3.1**	% of Maintenance Plan implemented.	100%	**SED: Electrical and Mechanical Services**
			ID26.4	To engage Eskom regarding the transfer of license in Eskom Licensed Areas.	**ID26.4.1**	Backlog of electricity connections to consumer units (ESKOM Area).	3 723 (700HH)	**SED: Electrical and Mechanical Services**
			ID27.1	To keep the Newcastle Municipal area clean.	**ID27.1.1**	% of Communication Plan Implemented.	100%	**SED: Community Services**
					ID27.2.1	Master Plan for Community Services finalised by 31 March 2014.	N/A	**SED: Community Services**

Output 2: Improving access to basic services.	**ID27**	To provide and ensure a safe and healthy environment.	**ID27.2**	Implementation of the Waste Management Strategy in line with the relevant legislation.	**ID27.2.2**	% of backlogs addressed.	3%	**SED: Community Services**
					ID27.2.3	Number as well as % of households serviced.	72 181 (85%)	**SED: Community Services**
					ID27.2.4	Number of registered landfill/waste disposal sites.	N/A	**SED: Community Services**
					ID27.2.5	New site identified within a 25km radius of Newcastle.	N/A	**SED: Community Services**
					ID27.2.6	Number of Draft Bylaws to be completed by each section.	N/A	**SED: Community Services**
					ID27.2.7	% of complaints addressed within 24hrs.	100%	**SED: Community Services**
					ID27.2.8	Progress made with the closure of the existing site.	N/A	**SED: Community Services**

4.2.6. SOCIAL DEVELOPMENT.

SOCIAL DEVELOPMENT								
Outcome 9	**Objective No.:**	**Strategic Objective**	**Strategy No.:**	**Strategy**	**KPI No.:**	**KPI**	**Target (2015/16).**	**Responsible Department/Vote**
Output 3: Implementation of the Community Work Programme.	**SD28**	To respond to the needs of the vulnerable groups.	**SD28.1**	Aged and disabled programs.	**SD28.1.1**	Number of special programs implemented.	12	**Municipal Manager**
			SD28.2	Participate in the Provincial initiatives and programs.	**SD28.2.1**	Number of programs invited to participate in.	2	**Municipal Manager**
					SD28.2.2	Number of engagements with external stakeholders.	24	**Municipal Manager**
			SD28.3	Participate in District games.	**SD28.3.1**	Monthly OSS programmes facilitated/implemented.	12	**Municipal Manager**
Output 3: Implementati		Youth development	**SD29.1**	Implementation of Youth Development Projects.	**SD29.1.1**	Number of workshops facilitated.	2	**Municipal Manager**

on of the Community Work Programme.	**SD29**	and women empowerment.	**SD29.2**	Gender programs.	**SD29.2.1**	Number of functional Special Programs FOR A.	8	**Municipal Manager**
			SD29.3	Participate in the KWANALOGA games.	**SD29.3.1**	Number of programs invited to participate in.	Participate annually in Kwanaloga games	**SED: Community Services**
Output 3: Implementation of the Community Work Programme.	**SD30**	To manage the effect of HIV/Aids within the Newcastle jurisdictional area.	**SD30.1**	Development and implementation of a Workplace HIV/Aids management program.	**SD30.1.1**	Number of fora established/functional.	8	**Municipal Manager**
			SD30.2	HIV/Aids awareness campaigns.	**SD30.2.1**	Number of HIV/Aids program/events implemented.	11	**Municipal Manager**
Output 3: Implementation of the Community Work Programme.	**SD31**	To improve access to basic services.	**SD31.1**	Free basic services.	**SD31.1.1**	Monthly registrations and deregistration.	12	**SED: Budget and Treasury Office**
			SD31.2	Rates rebates and breaks.	**SD31.2.1**	Compliance with the update of Financial System with pensioners rates tariff	Pensioners account updated with new tariff in compliance with approved application form	**SED: Budget And Treasury Office**
			SD31.3	Social security grants.	**SD31.3.1**	% of households earning less than R1100.00 per month with access to free basic services (R3000 as per the Indigent Policy for Newcastle).	17.17% (19 829)	**SED: Budget and Treasury Office**
Output 3: Implementation of the Community Work Programme.	**SD32**	To improve safety and security	**SD32.1**	Licensing.	**SD32.1.1**		N/A	**SED: Community Services**
			SD32.2	Traffic management.	**SD32.2.1**	Appointment and installation of parking meters.	Appoint and install parking meters by June 2016.	**SED: Community Services**
					SD32.2.2	Number of roadblocks conducted.	24	**SED: Community Services**
			SD32.3	Participation on road safety awareness campaigns.	**SD32.3.1**	% of Communication Plan implemented.	100%	**SED: Community Services**
				Establishment of the	**SD32.4.1**	Quarterly reports on Disaster Management forum to Portfolio Committee.	4	**SED: Community Services**

			SD32.4	Disaster Management Forum.	**SD32.4.2**	Number of Sector Plans for all sections in Community Services finalised by June 2014.	N/A	**SED: Community Services**
			SD32.5	To improve the fire-fighting services.	**SD32.5.1**	Number of fire inspections conducted.	200	**SED: Community Services**
					SD32.5.2	Average dispatch time.	1 minute	**SED: Community Services**
					SD32.5.3	Average time taken to respond to victims.	24 hours	**SED: Community Services**
Output 3: Implementation of the Community Work Programme.	**SD33**	To ensure efficient use and management of community facilities.	**SD33.1**	Environmental health services.	**SD33.1.1**	% of complaints addressed within 24 hours.	100%	**SED: Community Services**
			SD33.2	Sports, parks and recreation.	**SD33.2.1**	Number of new play parks established.	4	**SED: Community Services**
					SD33.2.2	% of cutting cycle plan implemented quarterly.	100%	**SED: Community Services**
			SD33.3	Improvement of community access to facilities (halls, pools, libraries and amenities).	**SD33.3.1**	Number of exhibitions or events facilitated.	8	**SED: Community Services**

4.2.7. LOCAL ECONOMIC DEVELOPMENT.

LOCAL ECONOMIC DEVELOPMENT.								
Outcome 9	**Objective No.:**	**Strategic Objective**	**Strategy No.:**	**Strategy**	**KPI No.:**	**KPI**	**Target (2015/16).**	**Responsible Department/Vote**
Output 1: Implementation of a differentiated approach to municipal planning and support.	**ED34**	To facilitate economic development that will result in sustainable job creation.	**ED34.1**	To facilitate investment promotion by local and foreign businesses.	**ED34.1.1**	Quarterly reports on meetings held with foreign and local investors.	4 quarterly reports to Portfolio Committee.	**SED: DP&HS**
			ED34.2	Business Retention and Expansion (BNR).	**ED34.2.1**	Quarterly reports on meetings with chambers of Newcastle businesses	4 quarterly reports to Portfolio Committee.	**SED: DP&HS**
					ED35.1.1	Number of meetings held (ICC).	4	**SED: DP&HS**

Output 1: Implementation of the Community Work Programme.	**ED35**	To facilitate economic development that will result in sustainable job creation.	**ED35.1**	Provision of internal guidance for investment and infrastructure expenditure.	**ED35.1.2**	Bi-annual reports on meetings held with sector government departments, NGOs and potential funders.	4 quarterly reports to Portfolio Committee.	**SED: DP&HS**
					ED35.1.3	Number of economic studies completed and submitted to Portfolio Committee.	2	**SED: DP&HS**
Output 1: Implementation of the Community Work Programme.	**ED36**	To facilitate economic development that will result in sustainable job creation.	**ED36.1**	To facilitate the development of key infrastructure to help facilitate the growth of the economy.	**ED36.1.1**	Study/survey to identify key infrastructural needs that drive and unlock the local economy.	Completed Survey Report.	**SED: DP&HS**
Output 1: Implementation of the Community Work Programme.	**ED37**	To facilitate economic development that will result in sustainable job creation.	**ED37.1**	Regulation of the Informal Economy.	**ED37.1.1**	Develop policy for informal trading and review of the bylaws.	N/A	**SED: DP&HS**
Output 1: Implementation of the Community Work Programme.	**ED38**	To facilitate economic development that will result in sustainable job creation.	**ED38.1**	Promotion of SMME and entrepreneurial development.	**ED38.1.1**	Number of reports on events supported.	2	**SED: DP&HS**
					ED38.1.2	Number of Hawker Stands built.	N/A	**SED: DP&HS**
					ED38.1.3	Development of a business for Business Incubator.	N/A	**SED: DP&HS**
					ED38.1.4	Number of SMMEs assisted.	50	**SED: DP&HS**
			ED38.2	Key sector development.	**ED38.2.1**	Number of business plans developed.	N/A	**SED: DP&HS**
			ED39.1	To facilitate a conducive environment for tourism business to grow.	**ED39.1.1**	Approved Tourism Development and Marketing Strategy and provision for implementation plan on 2015/16 budget.	N/A	**SED: DP&HS**
					ED39.1.2	Introduction of scheduled flights in Newcastle by 30 June 2016.	Introduction of scheduled flights in Newcastle by 30 June 2016.	**SED: DP&HS**

Output 1: Implementation of the Community Work Programme.	**ED39**	To facilitate economic development that will result in sustainable job creation.			**ED39.1.3**	Report on number of tourism trade shows attended and the outcome/impact to the Municipality.	4	**SED: DP&HS**
					ED39.1.4	Number of meetings held with tourism coordinating structures e.g. CTO.	4	**SED: DP&HS**
			ED39.2	Marketing and branding of Newcastle.	**ED39.2.1**	Approved Tourism Development and Marketing Strategy and provision for Implementation Plan on 2014/15 budget.	N/A	**SED: DP&HS**
					ED39.2.2	Develop the Newcastle Brand.	Development of the Newcastle Brand by 30 June 2016.	**SED: DP&HS**
Output 1: Implementation of the Community Work Programme.	**ED40**	To facilitate economic development that will result in sustainable job creation.	**ED40.1**	To provide economic data.	**ED40.1.1**	Number of work opportunities created through LED development initiatives including Capital Projects.	1 709	**SED: DP&HS**
					ED40.1.2	Publishing of the 2015/16 Business Directory on the NLM website.	Publishing of the 2015/16 Business Directory on the NLM website.	**SED: DP&HS**

SECTION 5: IMPLEMENTATION PLAN

5. IMPLEMENTATION PLAN.

5.1. SPATIAL DEVELOPMENT ISSUES AND OBJECTIVES.

As indicated before, the core challenges of the Spatial Development Framework would be to ensure spatial equity, efficiency and sustainability. However, current practices do not always promote these concepts and it is therefore vital to identify the manner in which current trends do not impact on the achievement of these responsibilities and the eventual realization of the municipal vision.

The key spatial issues to be addressed can be summarized as follow:

EQUITY	EFFECIENCY	SUSTAINABILITY
1. Provision, upgrading and maintenance of **key distribution routes**. 2. Promotion of economic activities in **closer proximity to the unemployed**. 3. **Clustering of social and community facilities** at more accessible points. 4. Promotion of private sector **investment in disadvantaged areas**. 5. **Spatial focus of resources** to redress inequalities in services standards and quality of life.	1. Provision, upgrading and maintenance of **key distribution routes**. 2. **Infill planning** is required to make the delivery of services more cost effective. 3. **Stimulation of economic districts and nodes** to promote sufficient market thresholds. 4. **Planning around bulk capacities** to ensure more cost effective developments. 5. Promotion of **economic opportunities in close proximity to residential functions** (where sustainable).	1. Plan service standards in line with **economic and environmental affordability**. 2. **Conservation and maintenance** of infrastructure and resources are better than replacement. 3. **Fragmented spatial structure causes sprawl** and should be countered. 4. Planning should promote the **sustainable use of resources**, rather that exclusion of use. 5. Improved **land management measures** to control potential conflicts are required.

In order to address the above issues, a set of objectives have been formulated based on a review of the objectives and strategies contained in the approved Newcastle Integrated Development Plan. These objectives represent a spatial refinement thereof and are as follows:

Development Sector	Objectives
SPATIAL DEVELOPMENT	• Promote a compact urban structure through urban infill and densification • Create a logical hierarchy of settlements to support effective service delivery • Create an urban edge to contain urban sprawl
HOUSING	• Identify sufficient land for future housing development • Quantify housing backlogs and future needs • Locate new housing development within a rational urban structure and urban development boundary to ensure sustainable development
ENVIRONMENT	• Protect ecologically sensitive natural areas • Create a municipal open space system, comprising ridges, mountains, rivers and dams • Respect the flood lines of the major rivers and dams • Respect the conservation guidelines for Nature Reserves
TRANSPORT	• Focus urban development along major public transportation routes to establish transport corridors • Public transport access points (drop-off/ collection points) should be located at service delivery centres
SERVICE INFRASTRUCTURE	• Locate urban development, specifically housing development, within reach of bulk municipal services • Inform the future planning and delivery of bulk municipal services
COMMUNITY FACILITIES	• Settlement development must include the full range of community facilities to ensure viable and sustainable living environments • Community facilities must be clustered with business facilities in service delivery centres • Service delivery centres should be located in such a way that ensures equitable access for all communities • Community facilities must be provided according to accepted planning and development standards and guidelines

5.2. DEVELOPMENT STRATEGIES.

The SDF proposes four key development strategies to help Newcastle achieve its vision of a sustainable, efficient and equitable future, and realize the spatial goals associated with this vision. These key development strategies are as follows:

- Promote urban, land use and transportation integration;
- Providing bulk infrastructure development;
- Establish equitable access to social services;
- Emphasize protection of agriculture and open spaces.

Although the current spatial pattern is inefficient and expensive, one has to admit that it is a fixed spatial pattern. Therefore, the aim should not be to alter the existing spatial structure, but one should rather guide its future development towards a better, more efficient and more cost-effective urban structure. In short, one should start addressing the weaknesses of the spatial structure through the planning and development of its future growth. Five strategies can be adopted to achieve this:

5.2.1. STRATEGY 1: LAND USE AND TRANSPORTATION INTEGRATION.

A more compact city will improve Newcastle's efficiency and sustainability by:

- Helping to protect environmentally sensitive land through reducing demand for this land;
- Making better use of the city's limited resources for infrastructure investments and maintenance;
- Supporting more transport options, as higher densities will provide enough people to make public transport viable; and
- Offering a better, more convenient lifestyle for people who cannot drive, such as elderly, very young and disabled people, as a greater number of facilities and opportunities will be accessible by foot, bicycle or public transport.

A compact city will be achieved through introducing planning tools that contain the city's footprint and encourage responsible densification (through strategic infilling, and the intensification of land uses within the existing urban footprint, aligned with concentrations of economic activity, public transport, infrastructure and amenities). New urban development will be directed towards locations where its impact on the city's natural and built heritage will be least felt, or can be best managed, and where it is possible for

sustainable human settlement to be served by the full range of urban opportunities and services. Similarly, new urban development will be expected to achieve a compact form, with appropriate planning for density, and a greater mix and intensity of land uses.

In South Africa, public transportation costs make up a large proportion of household incomes, a cost that is augmented by the sprawling nature of our cities. Land use development and public transportation are therefore interlinked and affect each other greatly. Urban corridors create the optimal land use structure for the cost-effective operation of public transport systems. Public transportation works most effectively in a linear pattern, as opposed to winding its way through a widespread urban area. Such a linear land use pattern also benefits commuters, because it implies that residential settlements hug the corridor road or railway line, placing commuters within short walking distances of such public transportation termini.

One should move away from the fragmented and sprawling urban structure existing within the areas of Madadeni and Osizweni. Consolidating all the existing outlying settlements with each other and the business core area should achieve this. This can be done by filling in the unpopulated areas between these settlements with the future growth of these settlements. By doing this, the settlements will join together and towards the business core area, forming consolidated urban areas. Such an integrated urban structure will form basis for the provision of cost-effective municipal services and public transportation infrastructure. However, it should be noted that the position of the relatively large industrial area of Newcastle requires an integration path that will stretch fairly wide towards Ngagane or join up at Hilldrop/Arbor Park.

5.2.2. STRATEGY 2: BULK INFRASTRUCTURE DEVELOPMENT.

Providing bulk infrastructure can be an important tool to achieve the above-mentioned spatial pattern and will, in turn, result in cost savings when developing the bulk infrastructure. All future bulk infrastructure should be developed within the urban areas described above; because where bulk infrastructure is developed, urban development will follow. In this manner, bulk services will force future urban development into a more rational and desirable urban pattern. At the same time, the location, implementation and functioning of the bulk service network will be rationalised.

5.2.3. STRATEGY 3: EQUITABLE ACCESS TO SOCIAL SERVICES.

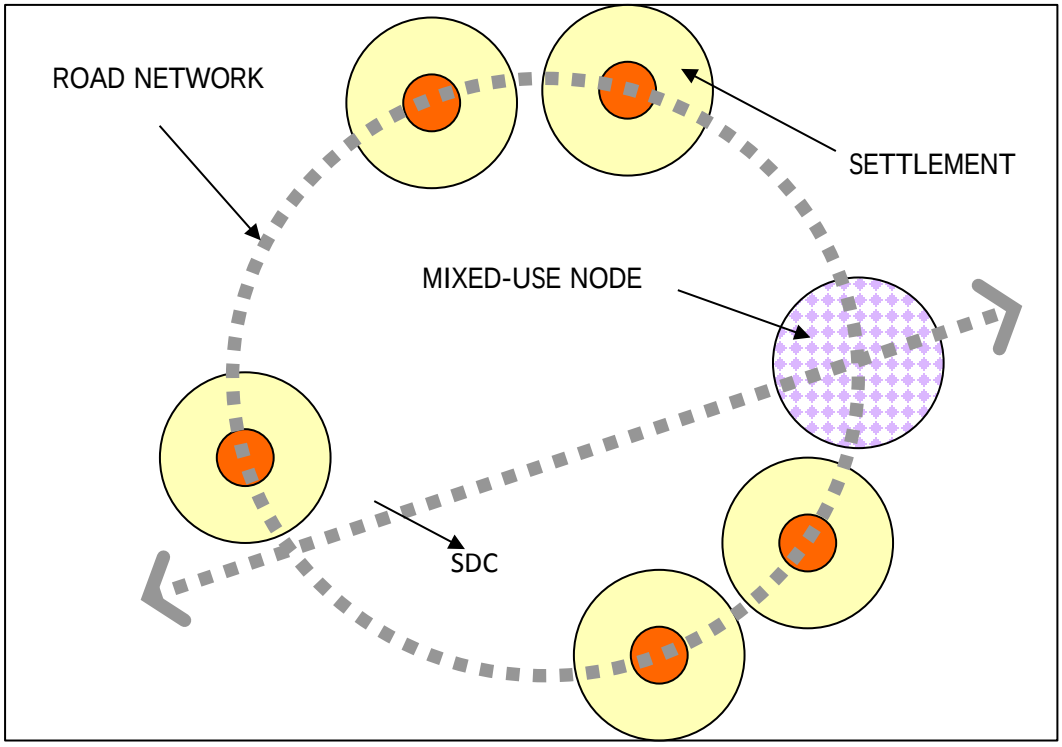
As was mentioned, the settlements located on the outskirts of the Municipal Area are located far from the social services provided in the Newcastle core area. This results in high public transportation costs for the poor living in these areas to access these services. It is imperative that a number of these social services be provided in these outlying settlements through the development of Service Delivery Centres. A hierarchy of such SDCs, containing facilities such as clinics and community centres, will place these facilities closer to these settlements, thus making them more accessible and achieving greater urban integration.

5.2.4. STRATEGY 4: PROTECTION OF AGRICULTURAL LAND AND OPEN SPACES.

A way to integrate urban areas is to deliberately protect high-potential agricultural areas and ecologically sensitive natural open spaces. By rigorously protecting such areas, urban areas are prohibited to sprawl freely and are therefore forced into denser urban agglomerations. Therefore, such an approach not only protects agriculture and the environment, but also helps create a more rational, cost-effective and manageable urban structure.

5.3. DEVELOPMENT CONCEPT & FRAMEWORK.

Figure 36: Spatial Planning Approach



The aim of the Development Concept was to formulate the desired spatial structure for Newcastle. Consequently, it is important that the Development Concept adheres to the principles of land use and transportation planning. It does this for two reasons. Firstly, it proposes urban corridors aligned along public transportation routes, thus promoting higher densities along these transportation routes. Secondly, it proposes a hierarchy of Service Delivery Centres (or SDCs) along these corridors, thus creating opportunities for mixed land use around transportation bus stops and taxi ranks.

The spatial outcome of the Development Concept will be development corridors shaped like a string-of-beads, which concentrates development at intersections or transit stops along public transportation routes. Because this configuration concentrates urban development along the transportation routes, it manages sprawl and therefore exhibits a degree of environmental and agricultural conservation.

5.3.1. SERVICE DELIVERY CENTRES.

Four types of SDCs are proposed for Newcastle Municipality: 1st, 2nd, 3rd order as well as Rural SDCs.

Table 56: Service Delivery Centres.

SDC TYPE	THRESHOLD POPULATION	ACCESS INTERSECTION	SDC AREA
1st order	> 100 000	Class 3	- Newcastle CBD. - Proposed JBC CBD
2nd order	< 100 000	Distributor & Collector	-Madadeni CBD -Osizweni CBD
3rd order	< 20 000	Class 3 & Class 4	- Fairleigh (Siyahlalala) - Kilbarchan - Madadeni Section 2
Rural	< 10 000	Distributor	-Ingogo -Leokop -Charlestown -Ballengeigh -Normandien

Specific preferred land use outcomes at the above localities are outlined in the full SDF. These form part of the Land Use Management Guidelines required in terms of the Municipal Systems Act.

5.3.2. DEVELOPMENT CORRIDORS AND MOBILITY ROUTES.

Four development corridors and Mobility Routes were identified in Newcastle. These development corridors and mobility routes must become the primary vehicles for the establishment of urban cohesion and integration, as well as become the catalysts for land use and transportation integration. The identified development corridors are as follows:

- N11 Primary Mobility Route.
- R34 Secondary Mobility Route.
- P483 Mixed-used Activity Corridor.
- Allen Street Mixed-used corridor.

5.3.3. NODAL STRUCTURE.

In terms of the PSEDS Newcastle has been identified as a secondary investment node with a number of nodes and potential nodes within. This can be linked to the settlement hierarchy identified in the situational analysis. This nodal structure is as follows:

Table 57: Nodal Classification

Type of Node	Area
A Secondary Investment Node (PSEDS)	-Newcastle
B Secondary Node (PGDS)	-Newcastle
C Primary CBD Node (Municipal SDF)	-Newcastle CBD -Proposed JBC CBD
D Regional Multi Use Node (Municipal SDF)	-Emerging Southern Business extension (Casino Development Newcastle Mall and surroundings)
E Community Multi Use Node (Municipal SDF)	-Emerging Northern Business extension (Majuba Mall and surroundings) -Madadeni CBD -Osizweni CBD
F Neighbourhood Multi Use Nodes	-Huttenheights -Pioneer Park -Barry Hertzog Park -Ncandu Park -Arbor Park -Fairleigh -Lennoxton -Fernwood -Surayaville -Madadeni Sec D (x2) -Madadeni Sec F -Madadeni Sec P -Osizweni Sec A -Osizweni Sec B -Osizweni Sec C -Kilbarchan
G Multi Use Node	-Vlam
H Industrial Node	-Newcastle Industrial Area / Mittal / Karbochem / Madadeni Industrial
I Large Scale Mixed Use Nodes	-P483 Corridor
J Rural Nodes (Municipal SDF)	-Ingogo -Leokop -Charlestown

Type of Node	Area
	-Ballengeich / Bosworth -Normandien
K Smaller nodes of importance: Medical Multi Use Nodes Educational Multi Use Nodes Social Multi Use Nodes	 -Newcastle Private & Provincial Hospital Madadeni Provincial Hospital -Newcastle Training Centre, Madadeni Majuba FET College, NUTEC, UNISA, Damelin, Boston College, ITB -Madadeni Section 2
L Amajuba Mountainous Nodal Policy Development Nodes (District SDF) **(See Annexure 12)**	-Dunblane node -Normandien Pass Node -Muller's Pass Node -Ingogo / Botha's Pass Node

5.3.4. OPEN SPACE SYSTEM.

An open space system fulfils a number of functions. These functions include hazard avoidance, resource conservation, ensuring social well-being and education. These functions of an open space system are listed in more detail in Table 31.

Table 58: Function of Open Space System

HAZARD AVOIDANCE	RESOURCE CONSERVATION	RECREATIONAL AND PSYCHOLOGICAL	EDUCATIONAL
Open spaces must reserve flood prone areas. Open spaces must reserve steep slopes and geologically unstable ground. Open spaces should protect drinking water sources from being contaminated.	Open spaces must protect water sources. Open spaces must protect linked areas of conservable indigenous vegetation.	Developed and maintained open space must be provided for recreational purposes. Open space must be provided for social interaction and as symbols of community identity. Open spaces must be protected for psychological relief from the stresses of urban live.	Open spaces must be protected for environmental education purposes. Well-equipped and designed open spaces must be provided for sport education.

As mentioned in the situational analysis, open space and recreation within the Municipal Area can be divided into 2 categories: passive and active open spaces. Proposals for Newcastle urban areas are made according to these categories.

Passive open spaces consist of land that is unsuitable or undesirable for urban development due to certain topographical or ecological constraints. The open space system of the Municipal Area must include the following elements:

- Water Sources: The conservation of passive open spaces that contain watercourses is of specific importance. The natural drainage channels and banks of these rivers and dams must be protected up to the 100-year flood line. Sanitation systems must be provided in

settlements located close to these water sources to avoid the pollution of these water sources by sewerage and other harmful effluents.

- Mountainous Areas: The tail of the Drakensburg stretches in a north-south direction across the western area of Newcastle. This mountain range is also a primary visual and structuring element within the Municipal Area. For these reasons this mountain range must be protected and form part of the municipal wide passive open space system.

Active open spaces entail the recreational component of the open space system. These provide sport facilities at settlements for use by local clubs and schools. Correctly located, well-developed and maintained recreation facilities can be an asset for the people of Newcastle. Formulating principles for the development of active open spaces can help ensure that standards of quality and usefulness are achieved in the planning, design and management of such spaces.

5.3.5. IMPLEMENTING THE SDF.

As part of the Newcastle IDP, the SDF and its implementation is crucial to the development of the municipal area and its communities. Through the IDP, the SDF will influence budgeting and resource allocation and specific interventions will be measured through the performance management system. Practical implementation of the SDF will be achieved through further detailed planning of special development areas and the Newcastle Land Use Management System, currently being formulated.

5.3.5.1. DEMARCATING AN URBAN EDGE.

The introduction of urban edge principles to control the sideways expansion of urban settlements has become fairly common in the municipal environment. However the success in achieving their primary objective has not been particularly good, as urban expansion sometimes still continues in an uncontrolled way, beyond the existing built-up area. These types of developments and expansion usually includes large, private developments which seek to privatize convenience, in a variety of forms for example, golf and polo estates, eco- and other forms of resort villages, retirement complexes based on the theme of retreating to the countryside, and so on, which frequently results in 'ad-hoc' sprawl; small scale incremental development by smaller developers and individual land owners. The issue of land prices and low income housing projects, informal settlements and the availability of land usually contributes to development beyond the urban edge.

The urban edge is a medium-term to long-term edge line (5-20 years) that has been demarcated to limit urban sprawl, or to protect natural resources. Demarcating an urban

edge has specific advantages, the primary being to prevent uncontrolled urban sprawl. Urban sprawl is undesirable since it increases pressures on the limited resource of local government, from public transport to water and sanitation infrastructure provision and impedes on valuable agricultural land. Demarcating the urban edge will also protect valuable agricultural land and ecologically sensitive areas from urban encroachment. But an urban edge can also have drawbacks. For example, it can restrict the supply of land for urban development, which will inflate land prices within the urban boundary. Care should therefore be taken when demarcating an urban edge. A balance should be reached between providing enough land for urban development and the need for sustainable development.

Certain actions are however required to ensure that the urban edge is effective. These include:

- A clear demarcation of the urban edge;
- Ensure the protection of land beyond the urban edge;
- Meeting the demand for growth;
- Strategic densification, urban renewal and infill planning.

An urban edge is demarcated for the Municipal Area as part of the SDF. The proposed urban edge, which is illustrated on Map 1, was demarcated using the following guiding principles:

- The containment of the urban sprawl and the promotion of infill and densification;
- Eradicating sprawl and promoting urban compaction;
- Protecting important elements within urban settlements;
- Promotion of small scale agriculture;
- Avoiding fragmentation of rural and wilderness landscapes;
- Maintaining dominance of agricultural and wilderness landscapes outside of urban cores;
- The creation of urban corridors along public transportation routes;
- The future municipal housing need and associated land required;
- The cost implications of establishing new infrastructure for new township developments;
- Taking into consideration unsafe geological conditions;
- The conservation of environmentally sensitive areas;

- The protection of high-potential agricultural land; and
- Identified desired and undesired utilization of land.

A guideline for the type of land uses to be allowed inside and outside of the urban edge are depicted in the Table below. As a rule, the urban edge applies to all developments requiring a township establishment application.

Inside urban edge	Outside urban edge
• Urban settlements • Rural settlements • Business and office areas • Industrial and commercial areas • Governmental uses • Urban agriculture • Residential Areas • Public Open Space • Private Open Space • Bulk infrastructure &Servitudes	• Extensive and intensive agricultural areas • Conservation areas and nature reserves • Tourism facilities and related activities • Rural services (social & economic) • Agricultural holdings • Communal farms • Mines & Quarries • Water Catchments • Bulk infrastructure & Servitudes

As Newcastle grows, the municipality will need to provide more undeveloped land for urban development, and the edge line will have to be reviewed and adjusted. These adjustments:

- must not be where natural, heritage or scenic resources merit protection;
- should facilitate the logical extension of the city's infrastructure network; and
- Should allow sufficient urban development land within the edge line to accommodate at least 10 years' urban growth.

Newcastle's urban edge aims to contain urban development along the development corridors proposed in the Development Concept. In addition, it largely aims to prohibit urban sprawl into the intensive agricultural areas around Ncandu River and towards the productive agricultural land. A number of existing mining settlements are located within the urban edge and can be formalized through a township establishment procedure. The land beyond the urban edge should be earmarked for non-urban uses only that can benefit from those in close proximity to the urban core and opportunities. Existing settlements beyond the urban edge have to be acknowledged but they should be contained and their growth limited and basic services should be provided.

5.3.5.2. SPECIAL DEVELOPMENT AREAS.

In order to give focus to the organizational activities of the NLM as it strives to achieve its developmental goals, several specific areas (or geographic localities) have been identified as Special Development Areas: - areas where the Municipality would need to prioritize its

spending and resources to enhance and promote integrated development outcomes. These are proposed as:-

- The **Newcastle CBD** as a Primary CBD Node;
- The **Madadeni** CBD as a Community Multi use Node;
- The **Osizweni** CBD as a Community Multi use Node;
- The **JBC** intervention and investment area as a Primary CBD Node;
- The **Newcastle South** intervention and investment area (Equarand) as a Regional Node;
- The Kilbarchan, Ingagane & Ballengeich intervention area as a
- Neighbourhood Multi Use Node.
- The **Charlestown** intervention area as a Rural Node.

In the case of the Newcastle, Madadeni and Osizweni CBD's, the Newcastle South Development Area, Kilbarchan, Ingagane & Ballengeich Area as well as Charlestown, Local Area Development Plans and urban design frameworks with more locality specific detail have been prepared and should be considered as extension of this Municipal Wide Spatial Development Framework and adopted together with the said SDF. The Charlestown LADP is in the process of being finalized and will be included within the next SDF review.

Rural Development Areas where the focus would be on development planning for livelihoods support and agricultural development. These areas are seen as key target areas for land reform, principally for land redistribution, land tenure reform and land reform for agricultural development. The principal target areas are land that is presently under pressure for settlement. The main component areas include: -

- Charlestown,
- Ngogo,
- Leokop and
- Normandien

5.3.5.3. SDF IMPLEMENTATION PLAN (CAPITAL PROJECTS 2013 – 2017).

To ensure the practical application and success of the spatial principles, concepts, strategies and policies of the SDF, a multifaceted implementation plan is required. The implementation of the SDF also requires the alignment of spatial strategies and infrastructure planning and budgeting. This will be done through the IDP.

The major key capital projects (62 in total) with a spatial dimension / implication, which are currently planned or underway as part of the IDP process and have a spatial impact or significance are listed below and illustrated on the attached Capital Projects Plan.

Besides the current 2009/2013 capital projects that are in operation the municipality also indicated a 3 year priority plan (2011-2013) for the implementation of proposed projects per department. These projects can be found within the draft report and are not included within the executive summary **(Refer to ANNEXURE B: NLM Spatial Development Framework 2015/16).**

5.4. THREE YEAR INVESTMENT PROGRAMME.

5.4.1. CAPITAL INVESTEMENT PLAN.

To ensure the practical application and success of the spatial principles, concepts, strategies and policies of the SDF, a multifaceted implementation plan is required. The implementation of the SDF also requires the alignment of spatial strategies and infrastructure planning and budgeting through the IDP.

The Newcastle Municipality developed a capital investment framework as part of this SDF, which identify where funds will be allocated through the spatial priorities and corresponding implementation strategies identified within the Western Service Delivery Region (WSDR), Eastern Service Delivery Region (ESDR) and Rural Service Delivery Region (RSDR). This Capital Investment Framework guides the Newcastle Municipality's capital expenditure in order to achieve citizen-centered public service and to shape the desired form of the municipality. It intends to bridge the gap between the spatial priorities, strategies and the implementation plan and sets the background and basis on which other sector plans should focus with their priorities.

The process of developing a Capital Investment Framework includes the collection of information from other municipal departments and verifying it where necessary. **Collected information from other departments will give an indication of the current development profile of the different departments through the Service Delivery and Budget Implementation Plan (SDBIP).** This is followed by a spatial illustration to also inform spatial interventions and investments for example bulk infrastructure and corridor development.

The Capital Investment Framework explores areas that present potential for sustainable economic and corridor development, therefore attracting private sector investment and creating long term employment for the public. In conclusion, the Capital Investment Framework for this SDF assists the Newcastle Municipality to address spatial distortions and inequalities of past policies in the form of densification, compaction and nodal development.

The major key capital projects with a spatial dimension/implication, which are currently planned or underway as part of the IDP process and have a spatial impact or significance are listed below and illustrated on the attached Capital Projects Plan.

5.4.1.1. COMMITTED AND NEW PROJECTS.

Table 59: Committed and New Projects.

DIRECTORATE DESCRIPTION	VOTE DESCRIPTION	WARD NUMBER	IDP PROJECT NUMBER	IDP PRIORITY ISSUES	NATIONAL KEY PERFORMANCE AREA	NLM STRATEGIC OBJECTIVES	FINANCE SOURCE DESCRIPTION	FINAL BUDGET 2015/16	FINAL BUDGET 2016/17	FINAL BUDGET 2017/18
TECHNICAL SERVICES										
INFRASTRUCTURE CIVIL	OB7		RDS0139/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	3 300 000,00	-	-
INFRASTRUCTURE CIVIL	Completion of ME18	28	RDS0152/2014	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	1 400 000,00	-	-
INFRASTRUCTURE CIVIL	Completion of ME 28	28	RDS153/2014	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	1 600 000,00	-	-
INFRASTRUCTURE CIVIL	OB39	13	RDS0156/2014	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	1 800 000,00	-	-
INFRASTRUCTURE CIVIL	OB97	11	RDS151/2014	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	1 300 000,00	-	-
INFRASTRUCTURE CIVIL	Construction of Kwa-Mathukuza Road	20	RDS0138/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	3 000 000,00	-	-
INFRASTRUCTURE CIVIL	Widening of Asiphephe Road and Rehabilitation of Asiphephe Drive	20	RDS0096/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	6 000 000,00	10 000 000,00	-

INFRASTRUCTURE CIVIL	Madadeni WWTW (UPGRADE)		WSN0112/3013	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	11 000 000,00	30 000 000,00	25 000 000,00
INFRASTRUCTURE CIVIL	Bulk services Siyahlala	Ward 25	WSN0120/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	10 000 000,00	14 000 000,00	-
INFRASTRUCTURE CIVIL	Rehabilitation and Widening of Nelson Mandela Road (Madadeni)	21	RDS0130/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	-	8 900 000,00	10 900 000,00
INFRASTRUCTURE CIVIL	Ngagane WTP(refurbishment, Raw Water Pipe line and upgrade)	Ward 25, 3, 4, 2, 5, 20, 22, 24	WSN092/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	9 404 000,00	15 000 000,00	20 000 000,00
INFRASTRUCTURE CIVIL	AC pipe replacement phase 1		WSN0128/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	3 000 000,00	15 000 000,00	15 000 000,00
INFRASTRUCTURE CIVIL	Osizweni E&F	28	WSN0111/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	4 500 000,00	-	-
INFRASTRUCTURE CIVIL	Construction of Madadeni Side Walks		RDSO133/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	500 000,00	1 000 000,00	1 000 000,00
INFRASTRUCTURE CIVIL	Construction of Osizweni Side		RDS0134/2013	Roads and stormwater	Infrastructure Development (Service	To ensure the provision and maintenance of	GRANT	500 000,00	1 000 000,00	1 000 000,00

	Walks				Delivery)	safe roads and effective stormwater infrastructure				
INFRASTRUCTURE CIVIL	Sesiyabonga road extension	13	RDS0171/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	700 000,00	-	-
INFRASTRUCTURE CIVIL	ME30,ME33	31	RDS0147/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	3 000 000,00	4 000 000,00	-
INFRASTRUCTURE CIVIL	MA40, MA45		RDS0172/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	3 000 000,00	4 000 000,00	-
INFRASTRUCTURE CIVIL	MD20, MD22, MD24, MD34		RDS0173/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	3 000 000,00	6 000 000,00	-
INFRASTRUCTURE CIVIL	MD11		RDS0174/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	3 000 000,00	7 000 000,00	-
INFRASTRUCTURE CIVIL	MD 55		RDS0175/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	3 000 000,00	-	-
INFRASTRUCTURE CIVIL	MP 9		RDS0176/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	3 000 000,00	-	-
INFRASTRUCTURE CIVIL	MC 10		RDS0177/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	-	3 000 000,00	-
INFRASTRUCTURE CIVIL	MC18		RDS0178/2015	Roads and stormwater	Infrastructure Development (Service	To ensure the provision and maintenance of	GRANT	3 500 000,00	3 500 000,00	-

					Delivery)	safe roads and effective stormwater infrastructure				
INFRASTRUCTURE CIVIL	OB45	20	RDS0179/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	1 700 000,00	-	-
INFRASTRUCTURE CIVIL	OB3	13	RDS0180/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	2 500 000,00	-	-
INFRASTRUCTURE CIVIL	OA17	18	RDS0181/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	2 400 000,00	-	-
INFRASTRUCTURE CIVIL	Construction of Oc 23	11	RDS0182/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	-	7 000 000,00	-
INFRASTRUCTURE CIVIL	Construction of OA 44	10	RDS0183/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	-	3 200 000,00	-
INFRASTRUCTURE CIVIL	OB13	10	RDS0184/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	3 000 000,00	-	-
INFRASTRUCTURE CIVIL	Emawozeni Road		RDS0185/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT		10 000 000,00	-
INFRASTRUCTURE CIVIL	Provision of Basic Sanitation services to Charlestown	30	WSN0117/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	500 000,00	700 000,00	800 000,00

INFRASTRUCTURE CIVIL	Provision of Basic Sanitation services to Ingogo		WSN0116/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	500 000,00	700 000,00	800 000,00
INFRASTRUCTURE CIVIL	Provision of Basic Sanitation services to Normandien		WSN0115/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	500 000,00	700 000,00	800 000,00
INFRASTRUCTURE CIVIL	Viljoenpark Bulk: Ncandu pumpstation		WSN0105/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	8 500 000,00	-	-
	JBC Sanitation Ward 18		WSN0105/2013	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	800 000,00	800 000,00	800 000,00
INFRASTRUCTURE CIVIL	JBC Sanitation Ward 6	Ward 18	WSN0106/2013	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	800 000,00	800 000,00	800 000,00
INFRASTRUCTURE CIVIL	JBC Sanitation Ward 7	Ward 6	WSN0107/2013	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	800 000,00	800 000,00	800 000,00
INFRASTRUCTURE CIVIL	JBC Sanitation Ward 12	Ward 7	WSN0108/2013	Infrastructure backlogs - Upgrading and expansion of existing	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable	GRANT	800 000,00	800 000,00	800 000,00

				infrastructure		water to all households within Newcastle Municipality's jurisdictional area				
INFRASTRUCTURE CIVIL	JBC Sanitation Ward 15	Ward 12	WSN0108/2013	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	800 000,00	800 000,00	800 000,00
INFRASTRUCTURE CIVIL	JBC Sanitation Ward 16	Ward 15	WSN0110/2013	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	800 000,00	800 000,00	800 000,00
INFRASTRUCTURE CIVIL	JBC Sanitation Ward 13	Ward 16	WSN0108/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	800 000,00	800 000,00	800 000,00
INFRASTRUCTURE CIVIL	Pumping mains from Hilldrop Reservoir & Gravity main to Siya	Ward 13	WSN0104/2013	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	-	-	-
INFRASTRUCTURE CIVIL	Blaauwbosch Bulk Water Project	Ward 25	WSN0125/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	6 000 000,00	27 000 000,00	27 000 000,00
INFRASTRUCTURE CIVIL	H39 Housing Project Bulk Infrastructure		WSN0119/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's	GRANT	-	6 000 000,00	-

						jurisdictional area				
INFRASTRUCTURE CIVIL	Construction of Long Bridge Road	Ward 21	RDS0168/2014	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	-	-	-
INFRASTRUCTURE CIVIL	Construction of Inkosi Road	7	RDS0188/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT		-	19 500 000,00
INFRASTRUCTURE CIVIL	ME 26	21	RDS0147/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	-	4 000 000,00	3 000 000,00
	ME26,ME30,ME33		RDS017/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	-	8 910 000,00	
INFRASTRUCTURE CIVIL	MF18, MF19	28,00	RDS0187/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT		14 000 000,00	
INFRASTRUCTURE CIVIL	Staffordhill Waterborne Sewerage Scheme:Phase 4	29	WSN0103/2013	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	-	2 000 000,00	-
INFRASTRUCTURE CIVIL	WCDM Osizweni	Ward 8, 9, 10, 11, 13, 30, 17	WSN0121/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	14 825 000,00	14 825 000,00	10 000 000,00
	Madadeni Road Slipway and Widening of Inkosi Bhambatha road: SAB Beer	24	RDS0167/2014	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	-	10 000 000,00	-

	wholesalers									
INFRASTRUCTURE CIVIL	Osizweni stock pile yard fencing		RDS0124/2013	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	320 000,00	-
INFRASTRUCTURE CIVIL	Purchasing of Airconditioners		RDS0162/2014	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	100 000,00	-
INFRASTRUCTURE CIVIL	Purchasing of Two way radios		RDS0161/2014	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	100 000,00	100 000,00
INFRASTRUCTURE WATER	Newcastle West: Contruction of Sidewalks		RDS0109/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	INTERNAL	-	1 000 000,00	1 000 000,00
INFRASTRUCTURE CIVIL	Re-Opening & Construction of Draper Street		RDS0170/2014	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	INTERNAL	-	-	-
INFRASTRUCTURE WATER	Gutternberg stormwater		WSN0168/2015	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	INTERNAL	-	2 000 000,00	-
INFRASTRUCTURE CIVIL	Equipment & appliances: all depots		WSN0169/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	200 000,00		-
INFRASTRUCTURE CIVIL	Walk behind rollers		RDS0189/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	320 000,00	-
INFRASTRUCTURE CIVIL	Water pump		WSN0170/2015	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	INTERNAL	30 000,00	-	-
INFRASTRUCTURE CIVIL	Soul City Pedestrian Bridge		RDS0111/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater	INTERNAL		-	-

						infrastructure				
INFRASTRUCTURE WATER	Welding machine		WSN0171/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	50 000,00	-	-
INFRASTRUCTURE WATER	Utility truck with extras		RDS0186/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	480 000,00	
INFRASTRUCTURE WATER	Refurbishment of kwaMathukuza sewage pump stations & electri		WSN0104/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	INTERNAL	-	-	-
INFRASTRUCTURE CIVIL	VIP Toilets (Ward 31, 30)		WSN0163/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	INTERNAL	1 000 000,00	1 000 000,00	1 000 000,00
INFRASTRUCTURE CIVIL	ROOIPOINT ELEVATED TANK		WSN0165/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	INTERNAL	-	-	-
INFRASTRUCTURE CIVIL	Fernwood Road (Stadium)		RDS0127/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	INTERNAL	-	1 500 000,00	-
INFRASTRUCTURE CIVIL	Panorama Stormwater		RDS0103/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	INTERNAL	1 000 000,00	2 000 000,00	-
INFRASTRUCTURE WATER	Rehabilitation of Henrietta Street		RDS0116/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	INTERNAL	-	2 200 000,00	-
INFRASTRUCTURE WATER	Construction of Charlestown road		RDS0131/2013	Roads and stormwater	Infrastructure Development (Service	To ensure the provision and maintenance of	INTERNAL	6 000 000,00	6 000 000,00	-

					Delivery)	safe roads and effective stormwater infrastructure				
INFRASTRUCTURE CIVIL	Construction of Watt Street		RDS0113/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	INTERNAL	3 600 000,00	-	-
INFRASTRUCTURE CIVIL	Harthorn Extensiom		RDS0187/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	INTERNAL	1 000 000,00	1 000 000,00	-
INFRASTRUCTURE CIVIL	WCDM : Newcastle West bulk meters		WSN0122/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	INTERNAL	-	-	-
INFRASTRUCTURE CIVIL	Rehabilitation of Jenken Str		RDS0120/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	EXTERNAL LOAN	1 600 000,00	2 000 000,00	2 000 000,00
INFRASTRUCTURE CIVIL	Soul City Pedestrian Bridge : Ward 6		RDS0111/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	EXTERNAL LOAN	400 000,00	-	-
INFRASTRUCTURE CIVIL	Soul City Pedestrian Bridge : Ward 31			Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	INTERNAL	400 000,00	-	-
INFRASTRUCTURE CIVIL	Widening of Allen Street			Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	EXTERNAL LOAN	27 000 000,00	-	-
INFRASTRUCTURE CIVIL	(VEHICLE) Sewer Jetter		RDS0056/2007	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	1 400 000,00	-
INFRASTRUCTURE CIVIL	VEHICLE(TRACTOR FOR MADADENI			N/A	Institutional Transformation and	To ensure effective and efficient administrative	INTERNAL		800 000,00	

	WWTW)				Corporate Development	support services				
INFRASTRUCTURE CIVIL	(VEHICLE) Sewer Tanker		WSN0093/2014	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	900 000,00	900 000,00
INFRASTRUCTURE CIVIL	(VEHICLE) Water Tanker		WSN0112/2013	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	900 000,00	900 000,00
INFRASTRUCTURE CIVIL	Portable tools and equipment		WSN0100/2014	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	200 000,00	-	-
INFRASTRUCTURE CIVIL	Portable submisble pumps (6)		WSN0098/2014	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	75 000,00	-	-
INFRASTRUCTURE CIVIL	Refurbishment of showgrounds pump station		WSN0172/2015	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	INTERNAL	100 000,00	-	-
INFRASTRUCTURE CIVIL	Electrical upgrade to Newcastle No1 Sewer pump station		WSN0174/2015	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	INTERNAL		800 000,00	-
INFRASTRUCTURE CIVIL	Madadeni No.2 sewer pumpstation upgrade		WSN0174/2015	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	INTERNAL	300 000,00	-	-
INFRASTRUCTURE CIVIL	Rehabilitation of Dongas		WSN0175/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	INTERNAL	1 600 000,00	2 000 000,00	2 000 000,00
INFRASTRUCTURE CIVIL	TRAFFIC CALMING DEVICE: Osizweni		WSN0176/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	INTERNAL	200 000,00	200 000,00	200 000,00

INFRASTRUCTURE CIVIL	TRAFFIC CALMING DEVICE: Madadeni		RDS0110/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	INTERNAL	200 000,00	200 000,00	200 000,00
INFRASTRUCTURE CIVIL	TRAFFIC CALMING DEVICE: Newcastle West		RDS0106/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	INTERNAL	200 000,00	200 000,00	200 000,00
INFRASTRUCTURE CIVIL	Ablutions at sewage works		RDS0107/2013	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	INTERNAL	500 000,00	500 000,00	-
INFRASTRUCTURE CIVIL	WATER STORAGE TANKS		RDS0159/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	INTERNAL	50 000,00	50 000,00	100 000,00
INFRASTRUCTURE CIVIL	Staffordhill Sewer pump station phase 4		WSN0177/2015	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	INTERNAL	7 000 000,00		
INFRASTRUCTURE CIVIL	Aquarand Link Road		WSN0178/2015	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	INTERNAL	-	15 000 000,00	10 000 000,00
	Esididini Road		WSN0103/2013				INTERNAL	7 000 000,00		
TECHNICAL SERVICES			RDS0102/2014					185 234 000,00	280 005 000,00	159 000 000,00
DIRECTORATE DESCRIPTION	VOTE DESCRIPTION	WARD NUMBER	IDP PROJECT NUMBER	IDP PRIORITY ISSUES	NATIONAL KEY PERFORMANCE AREA	NLM STRATEGIC OBJECTIVES	FINANCE SOURCE DESCRIPTION	FINAL BUDGET 2015/16	FINAL BUDGET 2016/17	FINAL BUDGET 2017/18
ELECTRCIAL SERVICES										
ELECRICAL AND MECHANICAL	Vehicles (20 Ton Roller, 10 Tipper		ELC0208/2015	N/A	Institutional Transformation and	To ensure effective and efficient administrative	INTERNAL	-	5 500 000,00	6 000 000,00

SERVICES	Truck, LDV)				Corporate Development	support services			
ELECRICAL AND MECHANICAL SERVICES	Building Energy Efficiency		ELC0201/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure access to electricity and other forms of energy where applicable	GRANTS	1 500 000,00	-	-
ELECRICAL AND MECHANICAL SERVICES	Street Light LED Retrofit		ELC0200/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Social Development	To improve safety and security	GRANTS	4 500 000,00	-	-
ELECRICAL AND MECHANICAL SERVICES	Waste Water/Pumpstatio n Plant Energy Efficiency Pum		ELC0202/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure access to electricity and other forms of energy where applicable	GRANTS	1 000 000,00	-	-
ELECRICAL AND MECHANICAL SERVICES	Rural Electrification		ELC0197/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure access to electricity and other forms of energy where applicable	GRANTS	8 000 000,00	-	-
ELECRICAL AND MECHANICAL SERVICES	Alternative energy source		ELC0207/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure access to electricity and other forms of energy where applicable	INTERNAL	-	1 000 000,00	1 000 000,00
ELECRICAL AND MECHANICAL SERVICES	Mechanical workshop		ELEC0203/2014	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	1 000 000,00	1 000 000,00	1 500 000,00
ELECRICAL AND MECHANICAL SERVICES	Network refurbishment		ELC0198/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure access to electricity and other forms of energy where applicable	INTERNAL	5 000 000,00	15 000 000,00	20 000 000,00
ELECRICAL AND MECHANICAL SERVICES	Office upgrade		ELC0204/2014	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	250 000,00	300 000,00
ELECRICAL AND MECHANICAL SERVICES	Street lighting - highmast		ELC0206/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Social Development	To improve safety and security	INTERNAL	5 000 000,00	8 500 000,00	9 000 000,00
ELECRICAL AND MECHANICAL SERVICES	Karbochem Protection Upgrade		ELC0164/2013	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Social Development	To improve safety and security	INTERNAL	1 000 000,00	2 000 000,00	2 000 000,00
ELECRICAL AND MECHANICAL SERVICES	Traffic lights		ELC0209/2015	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Social Development	To improve safety and security	INTERNAL	600 000,00	1 200 000,00	1 200 000,00
ELECRICAL AND MECHANICAL	MV Transformer Upgrade		ELC0210/2015	Infrastructure backlogs - Upgrading and	Infrastructure Development (Service	To ensure access to electricity and other	INTERNAL	-	2 000 000,00	2 000 000,00

SERVICES				expansion of existing infrastructure	Delivery)	forms of energy where applicable				
ELECRICAL AND MECHANICAL SERVICES	Geyser Load Control Upgrade		ELC0211/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	550 000,00	550 000,00
ELECRICAL AND MECHANICAL SERVICES	Electricity meters		ELC0212/2015	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure access to electricity and other forms of energy where applicable	INTERNAL	3 000 000,00	1 000 000,00	1 000 000,00
ELECRICAL AND MECHANICAL SERVICES	Radio repeaters		WLC0213/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	50 000,00	50 000,00
ELECRICAL AND MECHANICAL SERVICES	132 KV links: Signal hill and installation of lennoxton		ELC0165/2013	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure access to electricity and other forms of energy where applicable	INTERNAL	-	2 000 000,00	2 000 000,00
ELECRICAL AND MECHANICAL SERVICES	Conversion from hand operated oil circuit breakers into remo		ELC0167/2013	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	2 500 000,00	2 500 000,00
ELECRICAL AND MECHANICAL SERVICES	Siyahlala upgrade		ELC0214/2015 (RDS0126/2013)	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure access to electricity and other forms of energy where applicable	INTERNAL	-		
ELECRICAL AND MECHANICAL SERVICES	Service connections		ELC0199/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure access to electricity and other forms of energy where applicable	INTERNAL	3 000 000,00		
ELECRICAL AND MECHANICAL SERVICES								33 600 000,00	42 550 000,00	49 100 000,00
DIRECTORATE DESCRIPTION	VOTE DESCRIPTION	WARD NUMBER	IDP PROJECT NUMBER	IDP PRIORITY ISSUES	NATIONAL KEY PERFORMANCE AREA	NLM STRATEGIC OBJECTIVES	FINANCE SOURCE DESCRIPTION	FINAL BUDGET 2015/16	FINAL BUDGET 2016/17	FINAL BUDGET 2017/18
COMMUNITY SERVICES										
COMMUNITY SERVICES	JBC Hall		CSS0136/2014	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	INTERNAL	8 129 032,32		
COMMUNITY SERVICES	Osizweni cricket oval		SRA0182/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	GRANTS	1 000 000,00		
COMMUNITY SERVICES	Charlestown Hall		SRA0183/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	INTERNAL	3 742 946,00		

COMMUNITY SERVICES	Fort Ameil Ablution		SRA0184/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	INTERNAL	620 000,00		
COMMUNITY SERVICES	Fencing Sutherland Street		SRA0185/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	GRANT	180 000,00	-	-
COMMUNITY SERVICES	Ablution and guard rooms		CUL0007/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	INTERNAL	-	-	-
COMMUNITY SERVICES	Establishment of play parks X2		CSS0135/2014	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	GRANT	4 000 000,00	-	-
COMMUNITY SERVICES	Upgrade of playparks X3		SRA0169/2014	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	GRANT	2 000 000,00	-	-
COMMUNITY SERVICES	Communication radios		CSS0150/.2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	GRANT	100 000,00	-	-
COMMUNITY SERVICES	Change rooms (Parks Depot)		SRA0162/2013	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	-	-
COMMUNITY SERVICES	Change rooms, ablution facilities and showers		SRA0163/2013	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	-	-
COMMUNITY SERVICES	Fencing Arbor Park Grounds		CSS0173/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	INTERNAL	1 800 000,00	-	-
COMMUNITY SERVICES	Upgrade of Paradise Sports Grounds		SRA0180/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	INTERNAL	500 000,00	-	-
COMMUNITY SERVICES	Osizweni Netball Court		SCSS0175/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	INTERNAL	1 000 000,00	-	-
COMMUNITY SERVICES	Upgrade of Mzamo Sports Field		SRA0154/2013	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	INTERNAL	2 000 000,00	-	-
COMMUNITY SERVICES	Upgrade of NewcastleSwimming Pool		SRA0156/2013	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	INTERNAL	270 000,00	-	-
COMMUNITY SERVICES	Caretaker's house and ablution facilities (Roy Point)		CSS0136/2014	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	INTERNAL	400 000,00	-	-
COMMUNITY SERVICES	Purchase of Machinery &		CSS0151/2015	N/A	Institutional Transformation and	To ensure effective and efficient administrative	INTERNAL	500 000,00	-	-

	Equipment				Corporate Development	support services				
COMMUNITY SERVICES	Fernwood Indoor Cricket		CSS0174/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	INTERNAL	1 500 000,00	-	-
COMMUNITY SERVICES	Swimming Pool Safety Equipment		CSS0152/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	INTERNAL	80 000,00	-	-
COMMUNITY SERVICES	Litter bins NNW ,Madadeni & Osisweni	All	SRA0175/2015	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To promote sustainable development and environmental awareness	INTERNAL	600 000,00	-	-
COMMUNITY SERVICES	Bulk refuse Containers	All	SRA0176/2015	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To promote sustainable development and environmental awareness	INTERNAL	2 000 000,00	-	-
COMMUNITY SERVICES	Fleet (2 Compactors, Tiper with Grab,10 T Tipper, 3 LDV's)	All	SRA0177/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	7 000 000,00	-	-
COMMUNITY SERVICES	Material Recovery Facility	All	SRA0170/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To promote sustainable development and environmental awareness	INTERNAL	2 000 000,00	-	-
COMMUNITY SERVICES	Installation of electricity at taxi/ bus		SRA0179/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	INTERNAL	30 000,00	-	-
COMMUNITY SERVICES	Lockers for Public Ablutions		CSS0153/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	INTERNAL	30 000,00	-	-
COMMUNITY SERVICES	Fire arms		CSS0154/2015	N/A	Social Development	To improve safety and security	INTERNAL	150 000,00	-	-
COMMUNITY SERVICES	Trafman server		SRA0178/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	80 000,00	-	-
COMMUNITY SERVICES	Digital mobile radios		SRA0179/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	160 000,00	-	-
COMMUNITY SERVICES	Road traffic sign		CSS0155/2015	Roads and stormwater	Social Development	To improve safety and security	INTERNAL	300 000,00	-	-
COMMUNITY SERVICES	3 Ton Truck		CSS0156/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	350 000,00	-	-
COMMUNITY SERVICES	Electrical Power Tools and		CSS0157/2015	N/A	Institutional Transformation and	To ensure effective and efficient administrative	INTERNAL	80 000,00	-	-

	Equipment				Corporate Development	support services				
COMMUNITY SERVICES	Fencing Protection Services		CSS0158/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	1 200 000,00	-	-
COMMUNITY SERVICES	Light delivery vehicles		CSS0159/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	500 000,00	-	-
COMMUNITY SERVICES	Workshop equipment and tools		CSS160/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	30 000,00	-	-
COMMUNITY SERVICES	Digital mobile radios		CSS0161/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	40 000,00	-	-
COMMUNITY SERVICES	Access Control		CSS0162/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	1 400 000,00	-	-
COMMUNITY SERVICES	Fire arms VIP UNIT		CSS0163/2015	N/A	Social Development	To improve safety and security	INTERNAL	200 000,00	-	-
COMMUNITY SERVICES	Furniture JBC hall		CSS0164/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	GRANT	300 000,00	-	-
COMMUNITY SERVICES	Charlestown hall		CSS0165/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	GRANT	200 000,00	-	-
COMMUNITY SERVICES	Replacement of vehicles: halls		CSS0166/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	300 000,00	-	-
COMMUNITY SERVICES	Art purchases		CSS0167/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	INTERNAL	70 000,00	-	-
COMMUNITY SERVICES	Fencing fairleigh library		CSS0168/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	GRANT	250 000,00	-	-
COMMUNITY SERVICES	Refurbishment of NN library		CSS0169/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of community facilities	GRANT	3 091 252,23	-	-
COMMUNITY SERVICES	Mobile office		CSS0170/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	GRANT	70 000,00	-	-
COMMUNITY SERVICES	Office Partition		CSSO171/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	GRANT	60 000,00	-	-
COMMUNITY SERVICES	Furniture and equipment art		CSS0172/2015	Poor access to public facilities	Social Development	To ensure efficient management and use of	GRANT	35 200,00	-	-

	galary					community facilities				
COMMUNITY SERVICES	Fencing of Fort Ameil		SRA0181/2015				GRANT	284 000,00		
COMMUNITY SERVICES			CUL0008/2015					48 632 430,55	-	-
DIRECTORATE DESCRIPTION	VOTE DESCRIPTION	WARD NUMBER	IDP PROJECT NUMBER	IDP PRIORITY ISSUES	NATIONAL KEY PERFORMANCE AREA	NLM STRATEGIC OBJECTIVES	FINANCE SOURCE DESCRIPTION	FINAL BUDGET 2015/16	FINAL BUDGET 2016/17	FINAL BUDGET 2017/18
DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS										
DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS	DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS									
DEV, PLAN AND HS	Hawker Stalls		LED0332/2014	Poverty and unemployment	Local Economic Development	To facilitiate economic development that will result in sustainable job creation	EXTERNAL LOANS	-	-	-
DEV, PLAN AND HS	Provision of Infrastructure-new services		HLP0169/2014	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	EXTERNAL LOANS	4 500 000,00	-	-
DEV, PLAN AND HS	Ingogo		LED0323/2013	Infrastructure backlogs - Upgrading and expansion of existing infrastructure	Infrastructure Development (Service Delivery)	To ensure the provision of appropriate sanitation and potable water to all households within Newcastle Municipality's jurisdictional area	GRANT	4 000 000,00	-	-
DEV, PLAN AND HS	BRICK MANUFACTURING		HLP0174/2015	Poverty and unemployment	Local Economic Development	To facilitiate economic development that will result in sustainable job creation	INTERNAL	2 000 000,00	-	-
DEV, PLAN AND HS	Land Acquisition		HLP0170/2014	Urbanization - Sustainable human settlements	Municipal Planning and Environment	Efficient management of the municipal real estate	INTERNAL	1 500 000,00	-	-
DEV, PLAN AND HS	BRICK MANUFACTURING PLANT		HLP0171/2014	Poverty and unemployment	Local Economic Development	To facilitiate economic development that will result in sustainable job creation	EXTERNAL LOANS	1 539 959,00	-	-
DEV, PLAN AND HS	FURNITURE		TWP0172/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	GRANT	300 000,00	-	-

DEV, PLAN AND HS	Airport developments		TWP0173/2015	Impact of regional economic trends	Local Economic Development	To facilitiate economic development that will result in sustainable job creation	INTERNAL	2 000 000,00	-	-
DEV, PLAN AND HS	VEHICLE		LED0323/2013	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	GRANT	300 000,00	-	-
DEV, PLAN AND HS	JBC Urban Hub Walkways and Traffic Lights		HLP0166/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	8 808 104,00	-	-
DEV, PLAN AND HS	JBC to Osizweni Secondary Link Road		LED0328/2013	Roads and stormwater	Infrastructure Development (Service Delivery)	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure	GRANT	16 870 992,00	-	-
DEV, PLAN AND HS	Suryaville Flats		HLP0176/2015	Urbanization - Sustainable human settlements	Municipal Planning and Environment	Management of municipal housing	INTERNAL	500 000,00	-	-
DEV, PLAN AND HS	Lenville Sites		HLP0176/2015	Urbanization - Sustainable human settlements	Municipal Planning and Environment	Management of municipal housing	INTERNAL	4 000 000,00	-	-
DEV, PLAN AND HS	GIS		TWP0177/2015	N/A	Municipal Planning and Environment	To ensure an effective and integrated Geographic Information Management System	INTERNAL	250 000,00	-	-
DEV, PLAN AND HS								46 569 055,00	-	-
DIRECTORATE DESCRIPTION	VOTE DESCRIPTION	WARD NUMBER	IDP PROJECT NUMBER	IDP PRIORITY ISSUES	NATIONAL KEY PERFORMANCE AREA	NLM STRATEGIC OBJECTIVES	FINANCE SOURCE DESCRIPTION	FINAL BUDGET 2015/16	FINAL BUDGET 2016/17	FINAL BUDGET 2017/18
CORPORATE SERVICES										
CORPORATE SERVICES	CORPORATE SERVICES									
CORPORATE SERVICES	Extension of Municipal Offices		MUN0066/2013	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	74 300 000,00	15 400 000,00	-
CORPORATE SERVICES	Records management system		MUN0066/2013	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	EXTERNAL LOANS	5 000 000,00	2 500 000,00	-
CORPORATE SERVICES	Mayor's Car		MUN0073/2014	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	-	-

CORPORATE SERVICES	Vehicle messenger			N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	200 000,00	-	-
CORPORATE SERVICES	Storage new building		MUN0083/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	700 000,00	-	-
CORPORATE SERVICES	Aircon		MUN082/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	150 000,00	-	-
			MUN0084/2015					80 350 000,00	17 900 000,00	-
DIRECTORATE DESCRIPTION	VOTE DESCRIPTION	WARD NUMBER	IDP PROJECT NUMBER	IDP PRIORITY ISSUES	NATIONAL KEY PERFORMANCE AREA	NLM STRATEGIC OBJECTIVES	FINANCE SOURCE DESCRIPTION	FINAL BUDGET 2015/16	FINAL BUDGET 2016/17	FINAL BUDGET 2017/18
IT AND BUDGET AND TREASURY OFFICE										
BUDGET AND TREASURY OFFICE	FURNITURE AND EQUIPMENT		FIN0019/2013	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	2 000 000,00	-	-
BUDGET AND TREASURY OFFICE	Civic centre Network Design & Cabling		MUN0086/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	2 450 000,00	-	-
BUDGET AND TREASURY OFFICE	Database Analysis & Design		MUN0087/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	800 000,00	-	-
BUDGET AND TREASURY OFFICE	Internal Audit Software		MUN0088/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	374 000,00	-	-
BUDGET AND TREASURY OFFICE	Print Management Software		MUN0089/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	600 000,00	
BUDGET AND TREASURY OFFICE	Establishmennt of Disaster Recovery Site		MUN0090/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	2 000 000,00	2 000 000,00
BUDGET AND TREASURY OFFICE	E-Forms & Mobile Appl Development		MUN0091/2015	N/A	Institutional Transformation and Corporate Development	To ensure effective and efficient administrative support services	INTERNAL	-	1 500 000,00	1 000 000,00
								5 624 000,00	4 100 000,00	3 000 000,00
EXTERNAL LOAN								**63 335 176,00**	**4 500 000,00**	**2 000 000,00**
GRANTS								**175 598 548,23**	**237 035 000,00**	**140 400 000,00**
INTERNAL RESERVES								**161 575 761,32**	**103 020 000,00**	**68 700 000,00**
TOTAL CAPITAL BUDGET								**400 009 485,55**	**344 555 000,00**	**211 100 000,00**

5.4.2. OPERATIONS AND MAINTENANCE (O&M).

Table 60: Operational Budget.

KZN252 Newcastle - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2011/12	2012/13	2013/14	Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		58 116	52 624	–	71 915	63 084	63 084	76 480	75 737	78 016
Infrastructure - Road transport		20 289	20 673	–	37 350	22 167	22 167	41 586	42 888	43 889
Roads, Pavements & Bridges		20 289	20 673		37 350	22 167	22 167	41 586	42 888	43 889
Storm water										
Infrastructure – Electricity		26 123	21 113	–	17 351	22 321	22 321	15 749	13 600	14 026
Generation						–	–			
Transmission & Reticulation		25 123	19 613		14 851	19 821	19 821	15 749	13 600	14 026
Street Lighting		1 000	1 500		2 500	2 500	2 500			
Infrastructure – Water		–	–	–	–	(32)	(32)	4 872	3 330	3 530
Dams & Reservoirs						–	–			
Water purification						–	–			
Reticulation						(32)	(32)	4 872	3 330	3 530
Infrastructure – Sanitation		10 503	10 737	–	16 356	17 556	17 556	12 239	13 815	14 368
Reticulation		10 503	10 737		16 356	17 556	17 556	12 239	13 815	14 368
Sewerage purification						–	–			
Infrastructure - Other		1 201	100	–	858	1 072	1 072	2 034	2 103	2 203
Waste Management		200	100		130	120	120	120	142	149
Transportation	2					–	–			
Gas						–	–			
Other	3	1 001			728	952	952	1 914	1 960	2 054
Community		5 871	5 865	–	7 274	5 534	5 534	10 407	18 048	19 164
Parks & gardens		4 768	2 171		3 569	2 472	2 472	3 854	9 429	9 996
Sportsfields & stadia		690	1 348		902	1 028	1 028	980	1 440	1 526
Swimming pools		149			209	169	169	505	612	649
Community halls		102			1 439	1 197	1 197	2 526	2 824	3 022
Libraries		40			799	351	351	1 638	2 178	2 308
Recreational facilities		48	2 346		202	182	182	261	834	888
Fire, safety & emergency		7			13	(7)	(7)	596	625	662
Security and policing						–	–			
Buses	7					–	–			
Clinics		63			77	77	77			

Museums & Art Galleries		5			65	65	65			
Cemeteries						–	–	5	58	62
Social rental housing	8					–	–			
Other						–	–	42	48	51
Heritage assets		45	–	–	4	4	4	531	584	619
Buildings								506	542	574
Other	9	45			4	4	4	25	42	44
Investment properties		–	2	–	–	17	17	–	–	–
Housing development						17	17			
Other			2			1	1			
Other assets		7 380	11 632	–	16 065	17 060	17 060	18 251	17 139	17 940
General vehicles		162			253	303	303			
Specialised vehicles	10	–	–	–	–	–	–	–	–	–
Plant & equipment		1 184	2 086		5 366	6 847	6 847	13 188	10 901	11 384
Computers - hardware/equipment					–	–	–			
Furniture and other office equipment		1 882	1 995		2 853	2 831	2 831	78	214	225
Abattoirs					–	–	–			
Markets					–	–	–			
Civic Land and Buildings		264			222	222	222			
Other Buildings		3 400	7 550		6 722	6 208	6 208	4 985	6 024	6 332
Other Land					–	–	–			
Surplus Assets - (Investment or Inventory)					–	–	–			
Other		488			649	649	649			
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class										
Biological assets		–	–	–	–	–	–	2 600	4 680	4 867
List sub-class								2 600	4 680	4 867
Intangibles		–	–	–	–	1 598	1 598	–	–	–
Computers - software & programming						1 598	1 598			
Other *(list sub-class)*										
Total Repairs and Maintenance Expenditure	1	71 411	70 122	–	95 258	87 297	87 297	108 270	116 188	120 606
Specialised vehicles		–	–	–	–	–	–	–	–	–
Refuse										
Fire										
Conservancy										
Ambulances										
R&M as a % of PPE		*5,7%*	*4,3%*	*0,0%*	*4,0%*	*3,1%*	*3,1%*	*3,4%*	*3,3%*	*3,2%*
R&M as % Operating Expenditure		*6,7%*	*4,5%*	*0,0%*	*5,1%*	*5,1%*	*5,1%*	*5,9%*	*5,8%*	*5,6%*

5.4.3. SECTOR INVOLVEMENT.

5.4.3.1. DEPARTMENT OF HEALTH.

Table 61: Department of Health Projects.

WARD	PROJECT NAME	CURRENT BUDGET : 2011-2012	3 YEARS MTF/ FUTURE PROJECTS
1	New PHC fixed clinic at Ingogo	R13 million	Building of Ingogo PHC fixed clinic
6	New PHC clinic at Masondeza	TBD by Departmental Infrastructure	Building of Masondeza PHC fixed clinic once planning phase has been completed
7	Existing Osizweni 2 PHC fixed clinic	R2 million	Restructuring of Osizweni 2 PHC Fixed clinic to Maternal and Obstetrics Unit (MOU)
19	Existing Rosary PHC fixed clinic	R22 million	Revitalization of Rosary PHC fixed clinic
22	Existing Madadeni 1 PHC fixed clinic	R2 million	Restructuring of Madadeni 1 PHC fixed clinic to Maternal and Obstetrics Unit (MOU)
24	Existing Madadeni 7 PHC fixed clinic	R3 million	Upgrading of Madadeni 7 PHC fixed clinic
All Newcastle Municipality PHC fixed clinics	Expanded Public Works Project	R50 000	Cleaning and maintenance of grounds of PHC fixed clinics by cleaners to be sourced from the community and given stipend

5.4.3.2. DEPARTMENT OF TRANSPORT

Table 62: Department of Transport Projects

WARD	PROJECT NAME / ROAD NAME	CURRENT BUDGET : 2011-2012	3 YEARS MTF/ FUTURE PROJECTS
		2012-2013	
1	Regraveling D446	2012-2013	Regravelling
1	Re-gravelling P279	2012-2013	Regravelling
1	Regravelling D98	2012-2013	Regravelling
6,7,12,13,18,19,21,20,22,25	Blacktop Patching P483	2012-2013	Blacktop Patching
1	Blacktop Patching P39	2012-2013	Blacktop Patching
6,11,13,17	Blacktop Patching P241	2012-2013	Blacktop Patching
1	Blacktop Patching P210	2012-2013	Blacktop Patching
1	Road Marking P211	2012-2013	Road Marking
1	Rehab P211	2012-2013	Rehab
		2013-2014	
1	Regravelling P207	2013-2014	Regravelling
1	Regravelling P213	2013-2014	Regravelling
1	Regravelling D91	2013-2014	Regravelling
31/14	D1331	2013-2014	Regravelling
6,14	P233	2013-2014	Regravelling
1	Armco Pipe Repair P210	2013-2014	Armcor Pipe Repair
1	D100 Causeway	2013-2014	Causeway
		2014-2015	
1	D537	2014-2015	Regravelling
1	P213	2014-2015	Regravelling
1	L122	2014-2015	Regravelling
1	L145	2014-2015	Regravelling
1	D727	2014-2015	Regravelling
31/14	D1335	2014-2015	Regravelling
6,7,12,13,18,19,21,20,22,25	4 Lane Widening – P483	2014-2015	Widening Of Road
N/A	3351	N/A	Mbabane river pedestrian bridge (sandmines)
N/A	3398	N/A	Mbane pedestrian bridge
N/A	3399	N/A	Ystermynspruit pedestrian bridge
N/A	P296	N/A	Upgrade

5.4.3.3. ESKOM

Table 63: Eskom Projects

WARD	PROJECT NAME	CURRENT BUDGET : 2011-2012	3 YEARS MTF/ FUTURE PROJECTS
6	RIVESMITH EXT 1 & 2	2011-2012	PLAN 303 DONE 523 CONNS COMPLETE
7	DICKS HALT EXT (136)	2012-2013	
30	JACKALSPAN EXT 5 (420)	N/A	ON 3 YEAR PLAN
7	WITTEKLIP EXT 3 (910)	N/A	ON 3 YEAR PLAN
1	CHARLSTOWN	N/A	PLAN BY MUNIC
22	ROOIPOINT	N/A	PLAN BY MUNIC

5.4.3.4. HUMAN SETTLEMENTS.

Table 64: Sustainable Human Settlement Projects.

PROJECT DESCRIPTION	FUNDING SOURCE	WARD	PROJECT VALUE	FUNDING STATUS	START DATE	IMPLEMENTING AGENT	TIME FRAME/PROJECT PERIOD	2011/2012 CURRENT BUDGET
Madadeni H39 Housing Project (890 Units)	KZN DOHS		R69 302 520.00	Approved		Mageba Projects	2012 - 2014	R69 302 520.00
Siyahlalala - La Fairleigh Housing Project (1200 Units)	KZN DOHS		R 93 441 600.00	Approved		Umpheme Development	2012 - 2014	R 93 441 600.00
Emawozeni Housing Project (100 Units)	KZN DOHS		R 7 786 800.00	not yet approved		Moteko Construction	2012-2014	R 7 786 800.00
Emawozeni Housing Project (148 Units)	KZN DOHS		An amount for the project is not yet approved	not yet approved		Not Yet Appointed	2012-2014	An amount for the project is not yet approved
Osizweni E Phase 3 Housing Project (643 Units)	KZN DOHS		R 13 601 000.00	approved		Not Yet Appointed	2012-2014	R 13 601 000.00
KwaMathukuza Storm Damage (1385 Units)	KZN DOHS		R 104 774 474.00	approved		Motheo Construction Group	2011-2013	R 104 774 474.00
Madadeni Storm Damage (850 Units)	KZN DOHS	22/23	R 25 437 100.00	approved		Mageba Projects	2010-2012	R 25 437 100.00
Madadeni Storm Damage (800 Units)	KZN DOHS	22/23	R 29 498 400.00	approved		Stedone	2010-2012	R 29 498 400.00
Khathide Phase (2 000	KZN DOHS		R 157 092 350.00	approved		Siyamthanda	2012-2014	R 157 092 350.00

PROJECT DESCRIPTION	FUNDING SOURCE	WARD	PROJECT VALUE	FUNDING STATUS	START DATE	IMPLEMENTING AGENT	TIME FRAME/PROJECT PERIOD	2011/2012 CURRENT BUDGET
Units)						Projects		
Blaauwbosch 2011 (Jbc Housing Project) (2011 Units)	KZN DOHS	15/16/18 /12	R 156 592 548.00	approved			2012-2014	R 156 592 548.00
Blaauwbosch (85 Relocation Project)	KZN DOHS	15/16/18 /12	STILL TO BE DETERMINED	not yet approved		Not Yet Appointed	2012-2013	STILL TO BE DETERMINED
Charlestown Housing Project (1500 Units)	KZN DOHS		R 116 802 000.00	Approved		Approved By Heac	2012-2014	R 116 802 000.00
Osizweni E Phase 2 (1 240 Units)	KZN DOHS		R 96 556 320.00	not yet approved			2012-2014	R 96 556 320.00
Madadeni Unit K Phase 2	KZN DOHS	24/20	R 18 320 000.00	Approved		Newcastle	2012-2012	R 18 320 000.00

5.4.3.5. DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM.

Table 39: Economic Development and Tourism Projects.

PROJECT	AMOUNT	LOCATION
Coal Beneficiation Strategy	R500 000.00	Amajuba District

5.4.3.6. DEPT. OF RURAL DEVELOPMENT AND LAND REFORM.

Table 40: Rural Development and Land Reform Projects.

PROJECT	AMOUNT	LOCATION
Design of Livestock Infrastructure	R 1 020 937.00	Amajuba District
Amajuba Livestock – Fencing	R 3 416 977.35	Dannhauser and Newcastle
Amajuba Livestock – Dip Tanks	R 6 000 000.00	Dannhauser and Newcastle

5.4.3.7. DEPARTMENT OF PUBLIC WORKS.

Table 41: Public Works Projects.

PROJECT	PROJECT DESCRIPTION	AMOUNT	LOCATION
Newcastle School of Industries 033959	Hostels and dining hall	R 46 000 000.00	Newcastle (Lennoxton)
Osizweni Handicraft Centre 046982	Underpinning of foundation and upgrades to ablution facilities	R 25 000 000.00	Newcastle (Osizweni)
Osizweni Service Centre 053655	Upgrade and additions	R 20 000 000.00	Newcastle (Osizweni)
Madadeni Rehabilitation Centre 046901	Repairs and additions	R 39 000 000.00	Newcastle (Madadeni)
Newcastle Birken Stock (Mafawahlana) Office 053651	Repairs and Renovations: Fencing; Sceptic Tank; Concrete Slabs etc.	R 197 000.00	Newcastle
Bumbisizwe Special School 051741	Repairs and Renovations	R 7 218 500.00	Newcastle
Sizakancane Primary School	Construction	R 2 600 000.00	Newcastle

5.4.3.8. SOUTH AFRICAN ROADS AGENCY LIMITED (SANRAL)

Table 42: SANRAL Projects

PROJECT	STAGE	AMOUNT	CURRENT BUFGET	LOCATION
DNNBN: Ngogo Pedestrian Bridge	Planning and Design	R 525 000.00	2013-2014	Newcastle (Ngogo)
MPRAC: R621/MR35 (36.1) – Newcastle (52.3)	Planning and Design	R 17 300 000.00	2014-2015	Newcastle/Dannhauser/Emnambithi
Newcastle Bypass Reseal	Planning and Design	R 21 000 000.00	2013-2014	Newcastle
DSRGA: Nkunzi River – One Tree Hill	Construction	R 11 403 328.00	2013-2014	Dannhauser/Newcastle
Newcastle Bypass	Planning and Design	R 5 000 000.00	2014-2015	Newcastle/Dannhauser/Emnambithi

5.4.3.9. DEPT. OF ENVIRONMENTAL AFFAIRS

Table 43: Environmental Affairs Projects.

SERVICE DELIVERY PLAN	BUDGET	YEAR OF IMPLEMENTATION	LOCATION
6 play parks in disadvantaged areas	R 12 000 000.00	2014-2015	Newcastle
Greenest Municipality 2012/13	R 7 000 000.00	2014-2015	Newcastle
Greenest Municipality 2013/14	R 3 000 000.00	2014-2015	Newcastle
Buy-back Centre	R 7 000 000.00	2014-2015	Newcastle

5.4.3.10. DEPT. OF RURAL DEVELOPMENT AND LAND REFORM

Table 44: Land Reform Projects

LOCATION	PROJECT NAME	PROPERTY DESCRIPTION	EXTENT	PRODUCT TYPE
Newcastle	Mlondolozi	Portion 13 (of 7) of the Farm Schuilklip No. 109	134.9197	Sheep, Poultry and Vegetables
Newcastle	Greenwhich Farm	Portion 1 of the Farm Greenwhich No. 8487	205.2433	Vegetables, Timber and Livestock

Table 45: Plaas Acquisition Projects

LOCATION	PROJECT NAME	WARD	ACTIVITY	BUDGET
Newcastle	Gibson Farms	1	Valuation	R 14 600.00

SECTION 6:
FINANCIAL PLAN

6. FINANCIAL PLAN.

To achieve delivery on the IDP goals, focus areas and objectives, it is essential to align the municipality budget with the strategy. Sections below expand on aspects of the Newcastle Municipality's medium term financial planning and the extent to which it is possible to align the budget to all priorities of the wards, given our financial constraints and the need to concentrate on basis service delivery.

The long-term financial viability of municipalities depends largely on:

- The extent to which improved and sustainable revenue capacity can be achieved.
- Sound financial management of its resources.

These imperatives necessitate proper multi-year financial planning. Future impacts of revenue and expenditure streams and the financial implications for the community (i.e. the potential influence on rates, tariffs and service charges) must be identified and assessed to determine the sustainability of planned interventions, programs, projects and sundry service delivery actions.

The following are significant results of our analysis on the Municipality's Financial Performance, Financial Position, and Cash Flows & Organisation Environment.

6.1.1. OPERATIONAL BUDGET ESTIMATES.

A municipality is a non-profit organization and it should break even after contributing to the different funds and reserves and meeting normal operating expenses. With the structuring of rates and tariffs both the user-pay principal and full cost recovery are applied. However, reliance is placed on economic and trading services to fund the "Rate- and General Services".

6.1.2. FINANCIAL POSITION.

6.1.2.1. ASSETS.

The municipality has an investment of over R3, 3 Billion in assets. As evident from the table below, this investment has sharply increased in the last financial year. Although the big chunk of this increase was as a result of revaluation of assets and reversal of impairment of Investment in UThukela Water, it is worth mentioning that we have invested an amount of R152 Million in Infrastructure and other movable assets, which is a good indicator as it

allows the municipality to have capacity to render service delivery to communities, that we serve.

It is disconcerting to note however that other debtors and carrying value of consumer debtors have increased by 190% and 365% respectively, from 2009 to 2012, as it may have a negative impact on our liquidity position if not managed. We cannot overemphasize the need to embark on a vigorous debt recovery drive to curb the situation from deteriorating further. The table below provides an overview of municipal assets trends during the past 4 years:

Table 46: Municipal Assets

Item	2015	2014	2013	2012
Assets	**3 325 479 190**	**2 993 115 025**	**2 595 626 608**	**2 131 961 638**
Property, Plant & Equipment	1 333 766 525	1 334 588 185	1 353 243 682	1 479 963 664
Cash & cash equivalents	432 295 517	381 792 756	422 120 521	366 053 927
Investment Property	150 706 493	165 566 900	165 566 900	162 998 936
Intangible Asset	637 531	700 516	325 370	
Current portion of receivables	6 020 650	27 390 265	30 157 455	19 773 698
Investments in Associate	982 936 283	980 845 685	458 647 828	
Long-Term Receivables		3 963 941	13 681 749	25 178 710
Vat	2 320 461	16 822 449	9 685 711	-
Inventory	7 147 616	5 977 810	6 305 437	5 353 830
Consumer Debtors	353 969 979	79 841 843	112 266 674	76 082 632
Other Debtors	47 141 281	104 704 656	23 625 281	16 329 939

For the sake of clarity we deemed it necessary to unpack these assets as follows:

6.1.2.2. PROPERTY, PLANT AND EQUIPMENT.

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- are expected to be used during more than one reporting period.

The municipality has significantly invested in assets which augur well for service delivery. Assets increased by 16% from 2009 to 2012. Property, Plant and Equipment represents 38% of the capital structure of the municipality.

6.1.2.3. CASH AND CASH EQUIVALENTS.

Cash includes cash on hand and cash invested with banks. Cash and cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts. The municipality has achieved 18% increase in cash and cash equivalents from 2009 to 2012, which means that we have remained liquid and thus not experiencing cash flow or financial viability problem. Cash and Cash Equivalents represent 13% of the capital structure of the municipality.

6.1.2.4. INVESTMENT IN PROPERTY.

Investment property is Property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for administrative purposes, or
- sale in the ordinary course of operations.

Investment Property represents 4% of the capital structure of the municipality. Most of Investment Property is vacant land which means the municipality has adequate potential to facilitate development, which bode well for our future revenue growth.

6.1.2.5. INVESTMENT IN ASSOCIATE.

Investment in Associate represents our 34% stake in UThukela Water. The investment increased from R 458 647 828 in 2010 to R 982 936 283 in 2012. This represents 114% increase which is a good indicator.

6.1.2.6. CONSUMER DEBTORS.

Amounts billed to consumers, net of the provision for bad debts. The Municipality has provided for R443, 7 Million as bad debts in 2012 which may impose significant strain on our liquidity position in the future if not urgently managed. However, it should be noted the doubtful debt provision was revised from R611 million in 2011 to R443, 7 million in 2012, after risk profiling exercise which was conducted by an independent ICT company revealed that consumer debtors valued at R362, 5 can be recovered. However, as we alluded to

earlier in this report, it is imperative for the municipality to embark in a vigorous debt collection exercise, in order to improve our liquidity position.

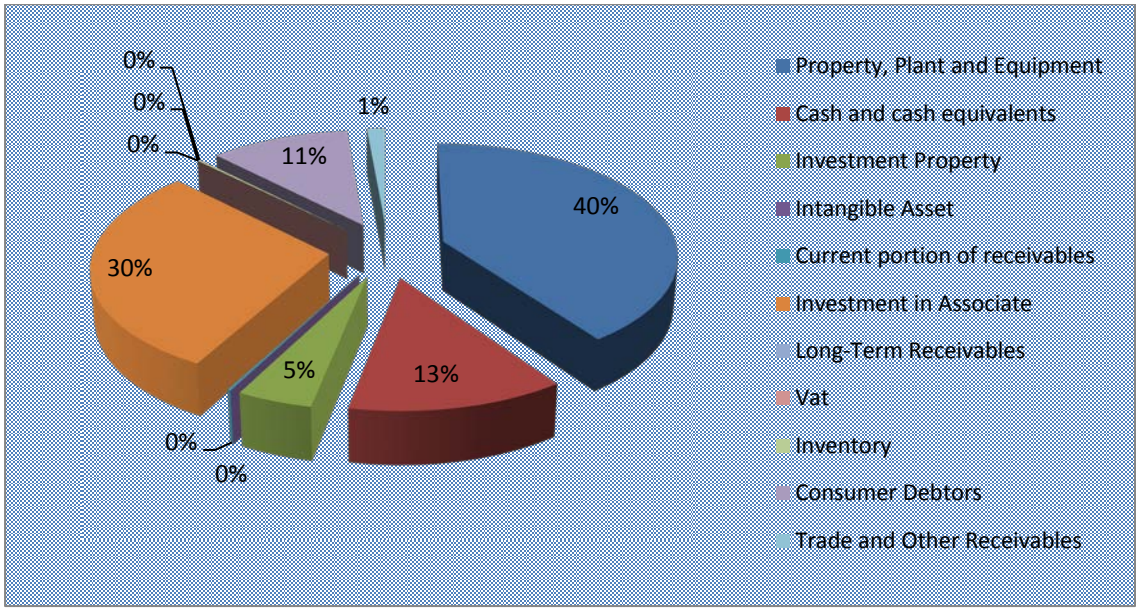
6.1.2.7. OTHER DEBTORS.

Amounts owed by levy-payers, financial institutions in respect of interest on investments and sundry debtors; could also include deposits made by the municipality. The R47 Million sitting on Other Debtors will have a negative impact on future financial viability of the Municipality if do not embark on a vigorous debt collection drive.

- Long Term Receivables: Receivables that is not receivable over the next 12 months.
- Current Portion of Receivables: Amounts that will be recoverable from long-term debtors within the next 12 months.
- Vat Receivable: Net VAT recoverable from SARS. If income tax is recoverable, together with VAT, these amounts will be disclosed as “taxes” on the Statement of Financial Position.
- Inventory: Consumable, net of obsolescence provision.

The Proportionate contributions to the asset base of the municipality are as follows:

Figure 37: Municipal Assets



This suggests that the relative importance of Call Investment Deposits, Property, Plant and Equipment, Investment Property, Consumer Debtors and Investment in Associate.

6.1.3. LIABILITIES.

The liabilities of the Municipality are just in excess of R389 Million as reflected below. Clearly the Municipality has growing concern with assets in excess of liabilities even before the effects of a change in accounting policy for property, plant and equipment.

Figure 38: Liabilities

Line Item	2012	2011	2010	2009
Liabilities	**389 078 560**	**284 062 465**	**350 186 853**	**308 260 309**
Long-Term Liabilities	60 196 100	48 517 986	78 267 121	71 387 341
Non-current provision for landfill site	22 494 322	50 765 425	50 765 425	64 755 606
Non-current provisions: plan obligations	77 822 236	68 960 000	53 301 147	
Consumer Deposits	8 582 232	9 983 442	10 038 525	10 318 099
Current Provisions	3 586 643	906 398	2 324 506	3 360 357
Unspent Conditional Grants and Receipts	78 695 500	30 306 940	49 778 808	57 943 451
Finance Lease Obligation	385 534			
VAT		-	-	31 488 564
Current Portion of Long-Term Liabilities	8 253 375	9 219 495	6 689 518	6 780 397
Trade and other payables	129 062 618	72 664 988	99 021 803	62226494

For the sake of clarity we deemed it necessary to unpack these liabilities further as follows:

6.1.3.1. LONG-TERM LIABILITIES.

These are external loans that are not repayable over the next 12 months. The Long Term Liabilities have increased from R48 517 986 to R58 666 166 which is 21% increase. The increase is due to additional loans we obtained from DBSA to augment our infrastructure.

6.1.3.2. NON-CURRENT PROVISION FOR LANDFILL SITE.

In terms of the licensing of the landfill refuse site, council will incur rehabilitation costs of R 22, 4 million to restore the site at the end of its useful life, estimated to be in 2017 by our engineers. Provision has been made for the net present value of this cost using the average cost of borrowing interest rate. The municipality need to make a provision R22, 4 million to rehabilitate the site.

6.1.3.3. CONSUMER DEPOSITS.

Deposits held in lieu of providing municipal services on credit.

6.1.3.4. NON-CURRENT PROVISIONS: PLAN OBLIGATIONS.

The municipality provides retirement benefits for its employees and councillors. This means if the Retirement Fund should get liquidated, the municipality will be required to fulfil the obligation to retired employees and councillors.

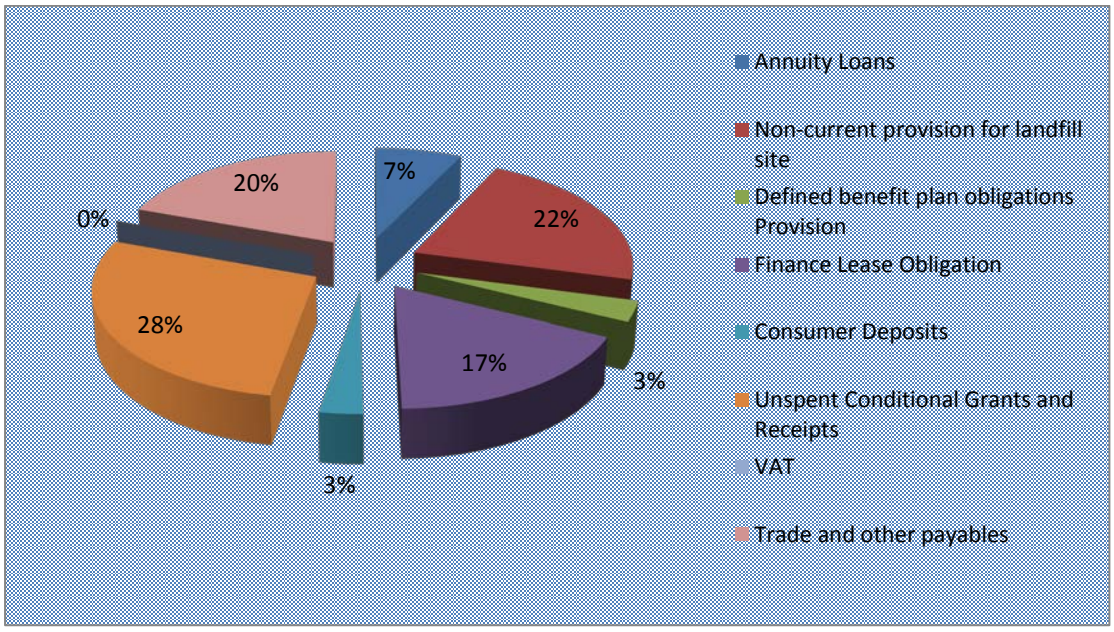
6.1.3.5. UNSPENT CONDITIONAL GRANTS.

These are conditional grants from other spheres of government. These amounts represent the obligation of the municipality to comply with the conditions of the grant. If the municipality fails to fulfil the obligations, we will be required repay the money to the National Revenue Fund.

6.1.3.6. TRADE AND OTHER PAYABLES.

Trade creditors, staff leave accrual and payments received in advance which represent amounts invoiced or received by the Municipality where services still have to be rendered. These are obligations which the Municipality will be required to fulfil in the future. The proportionate share of individual liabilities to total liabilities is as per the diagram below:

Figure 39: Trade-in Payables



6.1.4. SOLVENCY.

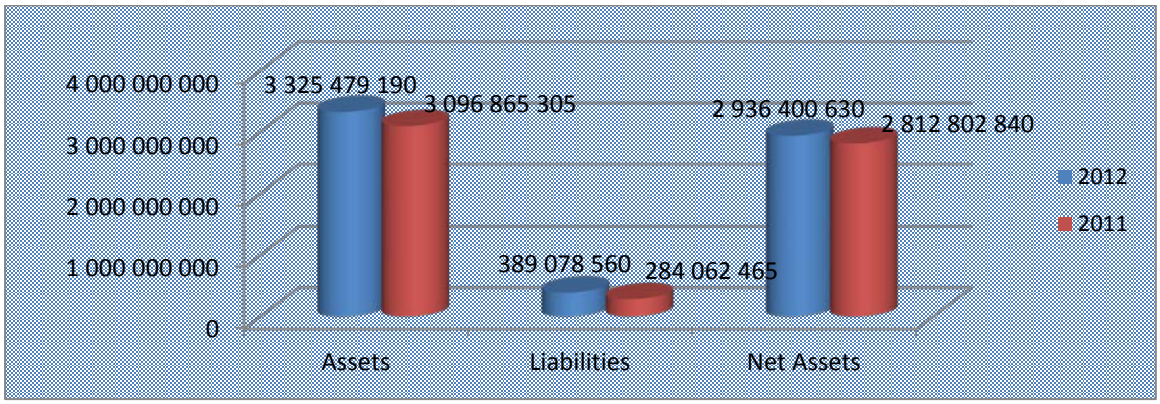
The entity remains solvent with total assets in excess of total liabilities. This is a comforting scenario, as the municipality continues to invest in assets. During the year under review an amount of R152 million was invested in assets. As outlined in the table below, the solvency position (ratio of assets to liabilities) of the municipality has systematically improved from 6.92 in 2009 to 8.44 in 2012 which is means that the municipality has healthy balance sheet, which is encouraging. The table below illustrates our solvency situation for the 4 years being analysed:

Table 47: Solvency Situation

Item	2012	2011	2010	2009
Assets	3 325 479 190	3 096 865 305	2 595 626 608	2 131 961 638
Liabilities	389 078 560	284 062 465	350 186 853	308 260 309
Net Assets	**2 936 400 630**	**2 812 802 840**	**2 245 439 755**	**1 823 701 329**
Ratio	**8.55**	**10.90**	**7.41**	**6.92**

The graph below illustrates our solvency ratio analysis:

Figure 40: Solvency Ratio Analysis



Although the above scenario is comforting, we are planning to conduct testing assets for impairment or put differently, undertaking condition assessment of roads infrastructure assets. One hopes that the carrying values of assets and liabilities at balance sheet dates, particularly in 2013 year end, closely resemble the recoverable amounts as this would have dire consequences on the solvency of the organization in the future.

6.1.5. LIQUIDITY.

As evident from the table below, the capacity of the Municipality to fulfil its short term obligations has systematically improved. As depicted on the graph below the liquidity has moved from healthy 2.81 (ratio of current assets to current liabilities) in 2009 to even healthier 3.60 in 2012. The net result is that the Municipality can service its short term commitments, which is a good indicator.

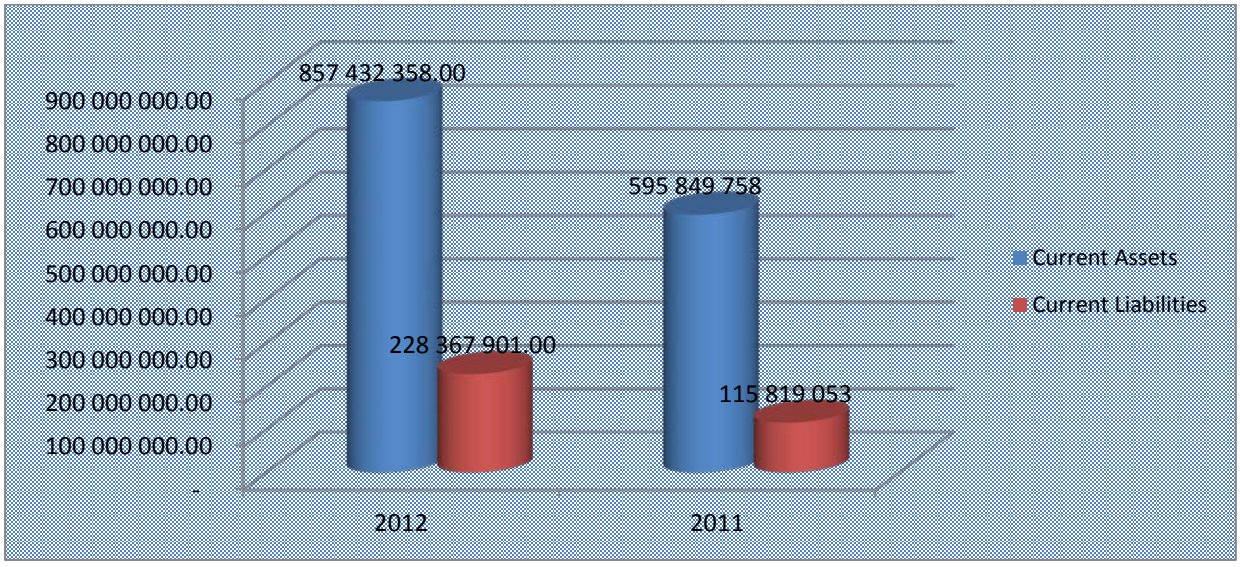
However, on analysis of the ageing of debtors as presented on the financial statements, we noted further that there is a significant debts amounting to R445 042 197 that are due for over 365 days. The general state of the ageing of debts is a course for concern. We would place a high risk on the collection of these amounts which puts an even greater strain on the liquidity position of the municipality. Concerted efforts are necessary to augment debt collection strategies in order to ensure that the municipality remains financially viable in a long term. The table below highlights our liquidity position for the 2009, 2010, 2011 and 2012financial years:

Table 48: Liquidity Ratio

Item	2012 (R)	2011 (R)	2010 (R)	2009 (R)
Current Assets	857 432 358	595 849 758	604 161 079	483 594 030
Current Liabilities	228 367 901	115 819 053	167 853 200	172 117 362
Ratio	**3.75**	**5.14**	**3.60**	**2.81**

The graph below further illustrates our liquidity situation:

Figure 41: Liquidity Ratio



6.1.6. CASH FLOWS.

The analysis below has been made from the cash flow statement presented on the annual reports for the years under scrutiny. The table below depicts the cash flow analysis of the municipality from the past 4 year's cash flows:

Table 49: Cash Flows.

Item	2015	2014	2013	2012
Net Cash from Operating Activities	178 122 654	654 266 273	512 953 010	138 675 844
Net Cash from Investing Activities	-108 676 233	-729 108 130	-105 812 591	-167 545 409
Net Cash from Financing Activities	-18 707 580	34 514 093	6 509 327	20 099 229
Cash & Cash equivalents at the end of the year	**432 266 598**	**381 792 757**	**422 120 521**	**366 053 927**
Increase/(decrease)	**13%**	**-(0.10)**	**0.15**	**0.49**

As evident from the table above, the municipality has been enjoying positive cash flows from its operations of 55% from 2009 to 2012, save for slight decline of 10% in 2011. From our analysis, substantial amount of cash has been utilized in the investment in property, plant and equipment, which is a good indicator. The financing situation for the Municipality has been positive.

NEWCASTLE MUNICIPALITY				
2015/16 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK				
STANDARD CLASSIFICATION	**ADJUSTMENT BUDGET 2014/15**	**FINAL BUDGET 2015/16**	**FINAL BUDGET 2016/17**	**FINAL BUDGET 2017/18**
REVENUE:				
OPERATIONAL REVENUE BY SOURCE				
PROPERTY RATES	(226 945 680,31)	(249 640 248,00)	(274 604 272,80)	(302 064 700,08)
SERVICE CHARGES - ELECTRICITY	(612 275 429,00)	(649 212 044,97)	(728 667 113,48)	(821 134 970,18)
SERVICE CHARGES – WATER	(164 356 278,00)	(163 809 013,20)	(168 209 006,33)	(179 983 636,77)
SERVICE CHARGES - SANITATION	(90 288 265,00)	(95 591 648,66)	(102 283 064,07)	(109 442 878,55)
SERVICE CHARGES – REFUSE	(73 449 693,00)	(78 850 142,99)	(84 369 653,00)	(90 275 528,71)
RENTAL OF FACILITIES	(6 478 504,00)	(7 126 354,40)	(7 838 989,84)	(8 622 888,82)
INTEREST ON INVESTMENTS	(16 872 072,00)	(12 000 000,00)	(10 000 000,00)	(10 000 000,00)
INTEREST ON ARREAR ACCOUNTS	(8 130 887,00)	(8 700 049,09)	(9 309 052,53)	(9 960 686,20)
FINES	(2 827 207,00)	(3 109 927,70)	(3 420 920,47)	(3 763 012,52)
LICENCES AND PERMITS	(11 795,00)	(12 974,50)	(14 271,95)	(15 699,15)
NATIONAL & PROVINCIAL GRANTS	(302 434 081,50)	(307 990 000,00)	(308 651 000,00)	(308 701 000,00)
OTHER REVENUE	(13 500 000,00)	(14 850 000,00)	(16 335 000,00)	(17 968 500,00)
TOTAL OPERATIONAL REVENUE	**(1 517 569 891,81)**	**(1 590 892 403,52)**	**(1 713 702 344,46)**	**(1 861 933 500,99)**
STANDARD CLASSIFICATION	**ADJUSTMENT BUDGET 2014/15**	**FINAL BUDGET 2015/16**	**FINAL BUDGET 2016/17**	**FINAL BUDGET 2017/18**
EXPENDITURE:				
OPERATIONAL EXPENDITURE BY TYPE				
EMPLOYEE RELATED COSTS	411 637 393,78	442 561 029,26	465 229 492,52	493 142 396,80
REMUNERATION OF COUNCILLORS	18 120 877,00	19 208 129,62	20 360 617,40	21 582 254,44
AGENT FEES	77 636 402,00	82 021 858,08	86 248 092,40	89 698 016,10
AUDIT FEES	3 503 755,00	3 808 000,00	3 836 826,24	3 990 299,29
BULK PURCHASES	415 000 000,00	474 096 000,00	564 106 810,98	644 435 620,87
COLLECTION COSTS	13 158 156,00	13 684 482,00	14 231 861,28	14 801 135,73
CONSULTANTS FEES	44 320 695,00	29 927 695,00	43 784 128,91	45 297 518,39
DEBT IMPAIRMENT	98 909 337,99	102 307 894,00	111 946 577,99	123 237 936,01
DEPRECIATION	238 001 940,00	247 951 554,95	258 931 006,74	270 404 649,35
FINANCE CHARGES	22 158 395,00	27 104 605,00	27 104 605,00	27 104 605,00
GENERAL EXPENSES	161 079 676,19	163 228 232,39	177 108 954,10	184 050 982,56
INDIGENT BENEFIT	69 599 800,00	69 599 800,00	75 279 143,68	78 290 309,43
GENERAL EXPENSES	34 109 628,71	39 839 500,71	36 139 781,56	38 456 744,68
GRANT EXPENDITURE NATIONAL & PROVINCIAL	17 687 081,50	14 567 000,00	11 956 000,00	12 006 000,00
MATERIAL	2 835 805,00	2 880 828,00	3 519 447,17	3 665 230,81
REPAIRS AND MAINTENANCE	87 472 056,00	108 631 070,00	116 629 731,35	121 073 892,82

TOTAL OPERATIONAL EXPENDITURE	1 715 230 999,18	1 840 417 679,02	2 016 413 077,35	2 171 237 592,27
SURPLUS/DEFICIT	197 661 107,37	250 525 275,50	302 710 732,88	309 304 091,28

6.1.7. CAPITAL BUDGET ESTIMATES.

Table 51: Capital Budget Estimates

DEPARTMENT	2013/2014 BUDGET	2014/2015 Forecast	2015/2016 Forecast
Corporate Services	114 050 000.00	101 950 000.00	51 000 000.00
Community Services	56 395 000.00	25 800 000.00	12 100 000.00
Budget and Treasury	3 730 000.00	-	-
Development Planning and Human Settlements	20 687 000.00	-	-
Technical Services	214 837 000.00	266 529 000.00	150 550 000.00
Total Capital Expenditure	**409 699 000.00**	**394 279 000.00**	**213 650 000.00**

6.1.8. FUNDING SOURCES.

Table 52: Sources of Funding

Funding Sources	2013/2014 DRAFT BUDGET	2014/2015 DRAFT BUDGET	2015/2016 DRAFT BUDGET
External Loans	162 400 000.00	11 400 000.00	1 000 000.00
Asset Financing Reserve	110 799 000.00	201 989 000.00	111 950 000.00
Grants	136 500 00.00	180 890 000.00	100 700 000.00
Total Funding Sources	**409 699 000.00**	**394890 000.00**	**213 650 000.00**

6.1.9. 10 POINT DEBT MANAGEMENT PLAN.

NO.	PROGRAM		ACTION
1	Debt collection campaign	**1.1**	Appointment of Field Workers
		1.2	Clarify roles and responsibilities of field workers
			* identify who is staying where
			* compare collected data with financial system
		1.3	"Friendly "legal process - develop action plan
2	Quick fix debtors	**2.1**	Outstanding accounts with no queries to be forwarded to the respective consumers for making necessary payment arrangements
		2.2	Investigate the possible use of call-centre for debt collection purposes
		2.3	Progress reports on government debtors
		2.4	Progress reports on staff and councillors debt
		2.5	Identify section 21 schools and address collections
3	Institutional capacity	**3.1**	Identify additional staff requirements for debt management holistically and communicate with COO
4	Debt Manager/Service Provider	**4.1**	Options in respect of Debt Management service
5	Meter Reading/Billing	**5.1**	Investigate use of the service provider for meter readings compared to performing in-house
		5.2	Fast track installation of water meters
		5.3	Monitor accuracy of readings (monthly deviations)
		5.4	Integrity of tariffs on accounts
		5.5	Investigate the use of meter readers to also deliver accounts

NO.	PROGRAM		ACTION
		5.6	Develop internal control for quality assurance on the delivery of accounts
		5.7	Investigate E-account option for delivery of accounts
		5.8	Install water restrictors
6	Data Cleansing	**6.1**	Indigent Verification
		6.2	Phased approach (Priority areas) for data cleansing
7	Training	**7.1**	Capacitate staff and field workers
8	Marketing and Communication	**8.1**	Develop marketing and communication strategy
			* posters, radio, newsletter, schools etc.
			* Education of community to check water consumption on account to meters, home relocations, submission of changed details.
9	Incentives/Tokens of appreciation	**9.1**	Incentive Scheme - staggered approach to promote culture of payment - policy proposal to Council
			**Pay for 12 months without default - 25% debt written off*
			**Pay for 24 months without default - further 25% debt written off*
			**Pay for 36 months without default - remainder 50% written off*
		9.2	Develop Plan for tokens of appreciation (Bigen to consider sponsoring) viz. pens, t-shirts, caps etc.
10	Revenue enhancement Strategies	**10.1**	Review Revenue enhancement strategies

6.1.10. FINANCIAL MANAGEMENT ARRANGEMENTS.

For the effective and efficient financial management of the municipality, all role-players, inclusive of the Municipal Councillors, must provide an environment conducive to good management. Local Government legislation and National Treasury circulars articulate and provide regulatory structure. Council and officials define this environment by developing and accepting policy guidelines to govern financial decision-making.

The management arrangements of Newcastle Municipality are reflected in the following policy documents:

DOCUMENT	PURPOSE	STATUS
Credit Control and Debt Collection Policy	• To establish consolidated, sound and practically executable credit control measures to be applied in respect of all property owners and consumers. • To regulate the actions pertaining to arrear accounts, including extensions granted, written arrangements to pay-off arrears, the monitoring thereof and legal actions associated with unpaid accounts.	In place.
Indigent Policy	To subsidise indigent households with income level of R3 000.00 enabling them to pay for a basic package of municipal services.	In place.
Debt Write off Policy	To provide a framework for the writing off of irrecoverable debt, in order to ensure that Council is in a position where it is not carrying debt which has prescribed or which is	In place.

DOCUMENT	PURPOSE	STATUS
	irrecoverable on its books.	
Tariff Policy	To provide a framework to determine rates and tariffs to finance expenditure.	In place.
Rates Policy	To ensure that all the stipulation of the Municipal Property Rates Act are effected administratively and also lay-out and stipulate all the requirements for rebates for all qualifying property owners.	In place.
Supply Chain Management Policy	To provide a system of procurement that gives effect to the principles of: • Fairness; • Equity; • Transparency; • Competitiveness; and • Cost effectiveness.	In place.
Investment Policy	To regulate and provide directives in respect of the investment of funds.	In place.
Borrowing Policy	To establish a borrowing framework policy for the Municipality and set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds	In place.
Asset Management Policy	To ensure that all aspects of assets from acquisition to disposal are met.	In place.
Budget Policy	The policy set out the budgeting principles which Newcastle Municipality will follow in preparing each annual budget. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework in terms of the planning, preparation and approval of the annual and adjustment budgets. The framework for virements is also explained in the Virement Policy.	In place.
Funding and Reserve Policy	The policy provides a framework to ensure that the annual budget of Newcastle Municipality is fully funded and that all funds and reserves are maintained at the required level to avoid future year non cash backed liabilities. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act and Municipal Budget and Reporting Framework.	

6.1.11. FINANCIAL STRATEGIES AND PROGRAMS.

The optimal use of available resources, the maximum raising of revenue and the sustainable delivery of services are the key elements to a successful financial strategy. The Municipality has developed and implemented the following key strategies in this regard:

STRATEGY	CURRENTLY IN PLACE
Revenue raising strategies	• To ensure optimum billing for services rendered and cash collection. • To ensure effective credit control and debt reduction – Turn point plan. • In the structuring of tariffs, continue with user-pay principal and full cost recovery. • Revaluation of all properties as per the Municipal Property Rates Act, at market related values. • To bring pre-payment meter vending points within close proximity of all consumers. • To introduce easy pay method.
Asset Management Strategies	• Completed process of unbundling of all infrastructure assets and compiling a new improved asset register. • Conducting full audit of all assets of the municipality. • To improve overall management of fixed assets.
Financial Management Strategies	• Continued cash flow management.
Capital financing strategies	• Continued sustainable use of Own Financial Resources. • Use of bulk service contributions to fund extensions. • Accessing national and provincial funding through proper request, business plans and motivations. • Leveraging of private finance.
Operational financing strategies	• To introduce free basic services within the limits of affordability. • Implementation of proper tariff structures for all the services. • "Economic"- and "Trading Services" being cost effective.
Strategies that would enhance cost-effectiveness	• Investigation into possibilities for utilising new technology to save costs. • Implementation of new systems/equipment acquired to address capacity shortages. • Implementation of electronic bank reconciliation.

SECTION 7:
ANNUAL OPERATIONAL PLAN

7. ANNUAL OPERATIONAL PLAN

7.1. ORGANISATIONAL SCORE CARD.

NEWCASTLE MUNICIPALITY												
ORGANISATIONAL SCORECARD 2015/16												
KEY PERFORMANCE AREA : INSTITUTIONAL TRANSFORMATION AND CORPORATE DEVELOPMENT.												
BACK TO BASICS PROGRAMME - BUILDING INSTITUTIONAL CAPACITY												
IDP												
OUTCOME 9	**Objective No.:**	**Strategic Objective**	**Strategy No.:**	**Strategy**	**Baseline**	**Source of Evidence**	**KPI No.:**	**KEY PERFORMANCE INDICATOR**	**2014`15 ANNUAL TARGET**	**2015/16**	**2016/17**	**Responsible Department/Vote**
OUTPUT6: Administration and Financial Capability	IT1	To ensure the optimal institutional structure to render effective and efficient services aligned to the IDP.	IT1.1	To provide efficient and effective general administrative support services.	14 days	Summary report signed of by SED/ Director	IT1.1.1	Average turnaround time for the filling of a vacancy.	42 days	14 days	14 days	SED: Corporate Services
			IT1.2	Implementation and review of the organogram with adequate capacity.	100%	EAP Register	IT1.2.1	% of employees assisted/consulted as requested.	100%	100%	100%	SED: Corporate Services
					NIL	Placement Register & Report/ Minutes of Placement Committee meetings	IT1.2.2	%age completion of Placements as per revised Organisational structure	100%	100%	N/A	Municipal Manager
					0	Job Description File	IT1.2.3	Number of departments with reviewed job descriptions	7	7	7	SED: Corporate Services
					100%	Appointment letters	IT1.2.4	% of critical posts filled as identified and approved by Municipal Manager (as budgeted).	100%	100%	100%	SED: Corporate Services
					1579	Payroll register	IT1.2.5	Number of posts filled as budgeted	1678	1678	1678	SED: Corporate Services
					45%	Budget Printouts	IT1.2.6	% of Municipal budget actually spent on implementing its workplace skills plan.	(7 878 640)100%	100%	100%	SED: Corporate Services
					Submitted EEP by 01 October	Acknowledgement of receipt from Department of Labour	IT1.2.7	Compliance with submission of Employment Equity Report by 01 October	Compliance with submission of Employment Equity Report by 01	Submission of Employment Equity Report by 01 October 2015	Compliance with submission of Employment Equity Report by	SED: Corporate Services

									October		01 October	
					20	Appointment letters	IT1.2.8	Number of people from employment equity target groups employed in the three highest levels of management	23	23	23	SED: Corporate Services
			IT1.3	To develop, plan and participate in knowledge sharing with other municipalities.	1per department	Attendence registers/ minutes of meetings/invitations	IT1.3.1	Number of knowledge sharing meeting arranged	2	6	7	ALL SED's
					WSP submitted to LGSETA on the 30 April 2015	Receipt of Postage to LGSETA / Acknowledgment from LGSETA of WSP and ATR	IT2.1.1	Successful submission of the WSP to LGSETA by 30 April	Submit WSP to LGSETA by 30 April 2015	Submit WSP to LGSETA by 30 April 2016	Submit WSP to LGSETA by 30 April 2017	SED: Corporate Services

NEWCASTLE MUNICIPALITY												
ORGANISATIONAL SCORECARD 2015/16												
KEY PERFORMANCE AREA : GOOD GOVERNANCE & PUBLIC PARTICIPATION												
BACK TO BASICS PROGRAMME - PUBLIC PARTICIPATION : PUTTING PEOPLE FIRST												
IDP												
Outcome 9	**Objective No.:**	**Strategic Objective**	**Strategy No.:**	**Strategy**	**Baseline**	**Source of Evidence**	**KPI No.:**	**KEY PERFORMANCE INDICATOR**	**Target (2014/15).**	**2015/16**	**2016/17**	**Responsible Department/Vote**
Output 6	**GP4**	To ensure good governance through openness, transparency and accountability in the organization.	**GP4.1**	To strengthen executive support to services.	100%	Register on the number of grievences received and addressed.	**GP4.1.1**	% of operational issues addressed as referred by Municipal Manager (grievances).	100%	100%	100%	**Municipal Manager**
					100%	Detailed incoming register inclusive of date filed.	**GP4.1.2**	Compliance with record keeping checklist.	100%	100%	100%	**Municipal Manager**
					12	Minutes with attendance registers	**GP4.1.3**	Number of Manco meetings convened	12	12	12	**Municipal Manager**

					Approved Delegations on 30 June 2014	Council Minutes	**GP4.1.4**	Annual review of Delegations Systems by 30 June 2016	Annual review of Delegations Systems by January 2015.	Annual review of Delegations Systems by 30 June 2016	Annual review of Delegations Systems by June 2017	**Municipal Manager**
					0	Attendance Registers and Minutes/Presentations	**GP4.1.5**	Number of Batho Pele workshops facilitated.	2	2	1	**Municipal Manager**
					Adopted IDP 31 May 2015	Council Minutes	**GP4.1.6**	Reviewed and Adopted IDP by 31 May 2016	31-May-15	Adoption of IDP by 31 May 2016 for implementation on the next financial year	31-May-17	**Municipal Manager**
Output 1	**GP5**	To keep the communities and stakeholders informed and involved in the affairs of the	**GP5.1**	To improve both internal and external communication.		Council Minutes	**GP5.1.1**	Annual review of Public Participation Policy by 30 June 2016	Annual review and implementation of policy.	Annual review of Public Participation Policy by 30 June 2016	Annual review and implementation of policy.	**Municipal Manager**
					1	Attendance registers and Close-out report	**GP5.1.2**	Number of training interventions for Ward Committees members by March 2016	1	1	1	**Municipal Manager**
					1	Attendance registers and Public submissions	**GP5.1.3**	Annual Mayoral IDP/Budget/PMS Roadshows.	1	1	1	**Municipal Manager**
					1	Publication	**GP5.1.4**	Number of External Newsletters Published and distributed	4	4	4	**Municipal Manager**
		municipality.			100%	Register of queries/complaints received and responses to queries.	**GP5.1.5**	% of issues addressed as raised by the public	100%	100%	100%	**Municipal Manager**
					100%	Register and Publications	**GP5.1.6**	% of media/communication queries addressed by the Communication Unit	100%	100%	100%	**Municipal Manager**

NEWCASTLE MUNICIPALITY												
ORGANISATIONAL SCORECARD 2015/16												
KEY PERFORMANCE AREA: FINANCIAL VIABILITY AND SUSTAINABILITY												
BACK TO BASICS PROGRAMME - SOUND FINANCIAL MANAGEMENT												
IDP												
OUTCOME 9	**Oobjective No**	**Strategic Objective**	**Strategy No**	**Strategy**	**Baseline**	**Source of Evidence**	**KPI No.:**	**KEY PERFORMANCE INDICATOR**	**2014/15 ANNUAL TARGET**	**2015/16**	**2016/17**	**Responsible Department/Vote**
Output 6: Administrative and Financial Capability	FV10	To ensure sound financial and fiscal management and good governance.	FV10.1	To ensure compliance with financial reporting in terms of the relevant legislative requirements.	100%	National Treasury Compliance Report	FV10.1.1	Compliance with MFMA reporting obligations as per MFMA calender	100%	100%	100%	SED : Budget & Treasury Office
			FV10.2	To ensure an effective and efficient Supply Chain Management System	Turnaround time for bids is 119 days and for quotations is 69 days (Tender/Quotations)	register certified by CFO	FV10.2.1	Turnaround times for bids at 90 days and for quotations 30 days (Tenders/Quotations).	Turnaround times for bids at 90 days and for quotations 30 days (Tenders/Quotations).	Turnaround times for bids at 90 days and for quotations 30 days (Tenders/Quotations)	Turnaround times for bids at 90 days and for quotations 30 days (Tenders/Quotations)	SED: Budget & Treasury Office
					Approved SCM Policy by March 2015	Register certified by CFO	FV10.2.2	Review of Draft SCM Policy by 31 March 2015 and be approved on the 31st May 2015	Review of Draft SCM Policy by 31 March 2015 and be approved on the 31st May 2015	Review of SCM Policy by 31st March 2015 and be Approved by the 31st May 2016	Review of Draft SCM Policy by 31 March 2015 and be approved on the 31st May 2017	SED: Budget & Treasury Office
			FV10.3	To ensure a sound Asset Management System	Approved Asset Management Policy by 31 May 2015	Asset Management Plan & Policy	FV10.3.1	Review & approval of Asset Management Policy by 31 May 2015	Review & approval of Asset Management Policy by 31 May 2015	Review & Approval of Asset Management Policy by 31 May 2016	Maintenance of management plan and review of policy	SED: Budget & Treasury Office

			FV10.4	To ensure compliance with budget planning and implementation	2015`16 Budget approved in May 2015. Adjustment budget approved on 28 February 2015	Proof of submission to the Mayor; National and Provincial Treasuries and Council Resolution	FV10.4.1	Approved Annual Budget by 31 May 2015 and adjustment budget by 28 February 2015.	Approved adjustment budget by 28 February 2014 and Approved budget by 31 May	Approved adjustment budget by 31 March 2016 and Approved budget by 31 May 2016	Approved adjustment budget by 31 March and Approved budget by 31 May	SED: Budget & Treasury Office
					90%	Calculation Sheet	FV10.4.2	% of Municipal Capital budget actually spent as per approved cashflows	90%	90%	90%	Municipal Manager
Output 6: Administrative and Financial Capability	FV11	To ensure a financially viable municipality.	FV11.1	Improve the payment factor by 2% basis points by June 2014	73%	Financial Reports	FV11.1.1	Increase of payment factor by 2 percentage basis point by 30 June 2016	76%	75%	83%	SED: Budget & Treasury Office
					45%	DBSA Invoices and Section 71 Cash Flow Reports	FV11.1.2	Financial viability in terms of debt coverage.	45%	15%	1:82	SED: Budget & Treasury Office
					3months	Bank Statement and Investment Schedule and Section 71 Reports	FV11.1.3	Financial viability in terms of cost coverage.	3months	2months	1:5.3	SED: Budget & Treasury Office
					125%	Calculation sheet	FV11.1.4	Financial viability in terms of outstanding service debtors.	152%	146%	152%	SED: Budget & Treasury Office

NEWCASTLE MUNICIPALITY												
ORGANISATIONAL SCORECARD 2015/16												
KEY PERFORMANCE AREA- MUNICIPAL PLANNING												
BACK TO BASICS PROGRAMME - DELIVERING BASIC SERVICES / PUBLIC PARTICIPATION : PUTTING PEOPLE FIRST												
IDP												
OUTCOME 9	**Objective No.:**	**Strategic Objective**	**Strategy No.:**	**Strategy**	**Baseline**	**Source of Evidence**	**KPI No.:**	**KEY PERFORMANCE AREA**	**2014/15 ANNUAL TARGET**	**2015/16**	**2016/17**	**Responsible Department/Vote**
Output 4	**MP12**	To ensure the development and maintenance of	**MP12.1**	To develop the IDP Process Plan in line with the legislation.	2	Minutes, and Attendance registers	**MP12.1.1**	Number of IDP RF meetings held.	2	2	2	Municipal Manager

		a credible IDP			2	Records/Minutes	**MP12.1.2**	Number of sector plans coordinated and/or reviewed.	4	2	2	Municipal Manager
			MP12.2	To develop the IDP in line the 3rd Generation IDP Guidelines.	Reviewed IDP by 22 May 2014	Minutes	**MP12.2.1**	Reviewed IDP by 31 May 2014.	Reviewed IDP by 31 May 2015.	Reviewed IDP by 31 May 2016.	Reviewed IDP by 31 May 2017	Municipal Manager
Output 4	**MP13**	To develop an efficient and effective land use management system so as to promote a rational and harmonious land use activity system.	**MP13.1**	To undertake efficient and effective planning enforcement.	80%	Register / Notices issued	**MP13.1.1**	%age of reported / identified cases of land use contraventions responded to	80%	90%	90%	SED: DP&HS
			MP13.2	Preparation of the Land Use Scheme covering the entire municipal area in terms of SPLUMA	Approved Wall to Wall Planning Scheme (Phase 1)	Council Minutes	**MP13.2.1**	Preparation of the Land Use Scheme covering the entire municipal area in terms of SPLUMA	Submission of second draft on phase 2 Wallto-Wall Scheme	Finalise Land Use Scheme covering the entire municipal area in terms of SPLUMA	Annual Review of the Town Planning Scheme	SED: DP&HS
			MP13.3	Administration of the Town Planning Scheme.	Applications Registers	Q1 - Q4 PDA Application register, Minutes of Portfolio Standing Committee /EXCO Minutes	**MP13.3.1**	%age compliance to prescribed timeframes and requirements for inputs from all relevant parties.	100% Compliance	100% Compliance	100% compliance to prescribed timeframes and requirements for inputs from all relevant parties.	SED: DP&HS
			MP13.4	Develop policies and bylaws for planning.	0	Council Minutes	**MP13.4.1**	Number of policies and bylaws formed and reviewed.	N/A	1	1	SED: DP&HS
			MP13.5	To undertake efficient and effective building controls.	10 days for residential, and 18 days for commercial and industrial buildings	Progress Reports	**MP13.5.1**	Average turnaround time for the approval of building Plans	10 days for residential, and 18 days for commercial and industrial buildings	10 days for residential, and 18 days for commercial and industrial buildings	10 days for residential, and 18 days for commercial and industrial buildings	SED: DP&HS
					100%	Register	**MP13.5.2**	% of illegal buildings addressed as identified and reported	100%	100%	100%	SED: DP&HS
Output 4	**MP14**	To ensure an effective and integrated Geographic Information	**MP14.1**	Upgrading of the GIS System.	N/A	N/A	**MP14.1.1**	Purchased hardware.	N/A	N/A	100%	SED: DP&HS

		Management System.			N/A	N/A	**MP14.1.2**	Purchased CAD software.	N/A	N/A	N/A	SED: DP&HS
			MP14.1	GIS Data Management.	32310 land uses varified	GIS Register	**MP14.1.1**	%age of Updated data received from municipal and sector departments	Capturing of 32310 properties for land use and zoning information	100% updated data i.r.t data received in the specific quarter	TBA	SED: DP&HS
			MP14.3	GIS System integration with other municipal systems.	Upgrading of GIS Website		**MP14.3.1**	Mapping of Infrastructure projects on GIS	N/A	N/A	TBA	SED: DP&HS

NEWCASTLE MUNICIPALITY												
ORGANISATIONAL SCORECARD 2015/16												
KEY PERFORMANCE AREA : BASIC SERVICE DELIVERY												
BACK TO BASICS PROGRAMME - DELIVERING BASIC SERVICES												
IDP												
Outcome 9	**Objective No.:**	**Strategic Objective**	**Strategy No.:**	**Strategy**	**BASELINE**	**SOURCE OF EVIDENCE**	**KPI No.:**	**KEY PERFORMANCE INDICATOR**	**ANNUAL TARGET**	**TARGET (2015/16)**	**TARGET (2016/17)**	**Responsible Department/Vote**
Output 2: Improving access to basic services.	ID24	To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality's jurisdictional area.	ID24.1	To ensure that the water and sanitation service is rendered in an efficient and affordable manner.	77795	Annual progress reports signed by the SED/director	ID24.1.1	Number (as well as percentage) of households with access to potable (drinkable) water.	79344	79992 (95%)	TBA	SED: Technical Services
					61525	Annual progress reports signed by the SED/director	ID24.1.2	Number (as well as percentage) of households with access to sanitation.	63415	62405 (74%)	TBA	SED: Technical Services

						n/a	ID24.1.3	Appointment of service provider to develop a strategy to take over of UTW functions.	N/A	N/A	N/A	Municipal Manager
		To ensure the provision of appropriate sanitation and potable water to all households in Newcastle Municipality's jurisdictional area.	ID24.2	To promote water conservation and environmental awareness.	Annual review of the WSDP 2015.	Quarter 2: minutes of PSC meeting. Quarter 3: Council minutes approving the WSDP	ID24.2.1	Annual review of WSDP by 31 January 2015.	Approved WSDP Review by 31 January 2016	Approved WSDP Review by 31 January 2016.	Approved WSDP Review by 31 January 2016	SED: Technical Services
					22	registers/minutes/pre ss releases/articles/publ ications	ID24.2.2	Number of awareness campaigns to promote water conservation and environmental awareness.	10	24	4	SED: Technical Services
					45%	Water balance scorecard	ID24.2.3	Reduction of water loss by 2% per anum for NRW	43%	43%	33%	SED: Technical Services
					n/a		ID24.2.4	Approved Business Plans for rural areas and urban areas.	n/a	N/A	25% New Water and sanitation infrastructure for periurban and rural areas	SED: Technical Services
		To ensure the provision of appropriate sanitation and potable water to all households in	ID24.3	To develop the Capital Investment Program.	n/a	Expenditure Reports	ID24.3.1	% Spent of capital budget as per aproved cash flows (DWA Funding)	90%	90%	90%	SED: Technical Services

		Newcastle Municipality's jurisdictional area.			Asset register 2013/14	Signed plan by SED	ID24.3.2	% completion of asset replacement plan	Draft asset replacement plan(pipes,pump stations)	Draft asset replacement plan(pipes,pump stations)	100% Refurbishment and Upgrading of infrastructure	SED: Technical Services
			ID25.1	Maintenance of Council Buildings in an acceptable condition	90%	Report and Complaints Register	ID25.1.1	% of municipal building maintenance plan implemented	90%	90%	100%	SED: Technical Services
Output 2: Improving access to basic services.	ID25	To ensure the provision and maintenance of safe roads and effective stormwater infrastructure.	ID25.2	To provide streets beautification and pavements.	2000m2	**Progress reports signed by the SED/ Director**	ID25.2.1	m² of sidewalks paved.	2000m2	**3340m²**	2000	SED: Technical Services
			ID25.3	To develop and implement the Roads and Stormwater Infrastructure Plan.	2000	**Progress reports signed by the SED/ Director**	ID25.3.1	m² of sidewalks paved.	2000	**3340m²**	2000	SED: Technical Services
				To develop and implement the Roads and Stormwater Infrastructure Plan.	7KM	Bi-annual Reports signed by the Director	ID25.3.2	Km's of roads resealed.	7KM	9 km	20	SED: Technical Services
Output 2: Improving		To ensure access to electricity and other	ID26.1	To provide electricity within the Newcastle Municipality Licensed Areas.	1500	REPORTS	ID26.1.1	Number of solar geysers installed.	N/A	N/A	5000	SED: Electrical and Mechanical Services

					65263	Invoices and DOE Monthly reporting	ID26.1.2	Number of households with access to electricity connection in the Eskom Licensed Area.	66263	66963	TBC	SED: Electrical and Mechanical Services
			ID26.2	To facilitate the supply of electricity outside the areas licensed with	Updated network analysis	Records/ Minutes of approved ESDP	ID26.2.1	Approved ESDP by 30 June 2016	Completed network analysis plan for the Newcastle Electrical network by 30 Jan 2015.	Approved ESDP by 30 June 2016	Revised ESDP	SED: Electrical and Mechanical Services

NEWCASTLE MUNICIPALITY												
ORGANISATIONAL SCORECARD 2015/16												
KEY PERFORMANCE AREA : SOCIAL DEVELOPMENT												
BACK TO BASICS PROGRAMME - PUBLIC PARTICIPATION : PUTTING PEOPLE FIRST												
IDP												
OUTCOME 9	**Objective No.:**	**Strategic Objective**	**Strategy No.:**	**Strategy**	**Baseline**	**Source of Evidence**	**KPI No.:**	**KEY PERFORMANCE INDICATOR**	**Target (2014/15).**	**2015/16**	**2016/17**	**Responsible Department/Vote**
									ANNUAL TARGET			
Output 3: Implementati on of the Community Work Programme	SD28	To respond to the needs of the vulnerable groups.	SD28.1	Aged and disabled programs.	12	Register/Minutes	SD28.1.1	Number of Special programs events facilitated/implemented	12	12	18	Municipal Manager
			SD28.2	Participate in the Provincial initiatives and programs.	11	Minutes/Register	SD28.2.1	Number of programs invited to participate in.	2	2	10	Municipal Manager
					37	Register/Minutes Report	SD28.2.2	Number of engagements with external stakeholders	24	24	24	Municipal Manager

			SD28.3	Participate in District games.	12	Minutes, attendance registers and OSS programme	SD28.3.1	Monthly Operation Sukuma Sakhe programmes facilitated/implemented	12	12	12	Municipal Manager
Output 3: Implementati on of the Community Work Programme	SD29	Youth development and women empowerment.	SD29.1	Implementation of Youth Development Projects.	15	Register/ Minutes /Report	SD29.1.1	Number of workshops facilitated	2	2	5	Municipal Manager
			SD29.2	Gender programs.	6	Register/Minutes /Report /agenda	SD29.2.1	Number of functional Special Programmes FORA	8	8	8	Municipal Manager
			SD29.3	Participate in the KWANALOGA games.	Annual Kwanaloga games	Records	SD29.3.1	Number of programs invited to participate in.	Participate annually in Kwanaloga games	Participate annually in Kwanaloga games	Participate annually in Kwanaloga games	SED : Community Services
Output 3: Implementati on of the Community	SD30	To manage the effect of HIV/Aids within the Newcastle	SD30.1	Development and implementation of a Workplace HIV/Aids management program.	6	Register/Minutes/Repo rt/agenda	SD30.1.1	Number of fora established/functional	8	8	8	Municipal Manager
Work Programme		jurisdictional area.	SD30.2	HIV/Aids awareness campaigns.	11	Register	SD30.2.1	Number of HIV/AIDS program /events implemented	11	11	15	Municipal Manager

NEWCASTLE MUNICIPALITY
ORGANISATIONAL SCORECARD 2015/16
KEY PERFORMANCE AREA : LOCAL ECONOMIC DEVELOPMENT
BACK TO BASICS PROGRAMME - PUBLIC PARTICIPATION : PUTTING PEOPLE FIRST
IDP

OUTCOME 9	Objective No.:	Strategic Objective	Strategy No.:	Strategy	Baseline	Source	KPI No.:	KEY PERFORMANCE AREA	2014/15 ANNUAL TARGET	2015/16 TARGET	2016/17	Responsible Department/ Vote
Output 1: Implementation of a differentiate approach to municipal planning and support	**ED34**	To facilitate economic development that will result in sustainable job creation.	**ED34.1**	To facilitate investment promotion by local and foreign businesses.	4	PSCM Minutes	**ED34.1.1**	Quarterly reports on meetings held with foreign and local investors.	4	4 Quartely reportS to Portfolio Commitee	4	**SED: DP&HS**
			ED34.2	Business Retention and Expansion (BNR).	2	PSCM Minutes	**ED34.2.1**	Quartely reports on meetings with chambers and Newcastle businessess	4	4 Quartely reportS to Portfolio Commitee	4	**SED: DP&HS**
Output 1: Implementation of a differentiate approach to municipal planning and support	**ED35**	To facilitate economic development that will result in sustainable job creation.	**ED35.1**	Provision of internal guidance for investment and infrastructure expenditure.	3	Minutes and register	**ED35.1.1**	Number of meetings held (ICC)	4	4	4	**SED: DP&HS**
					4	PSCM Minutes	**ED35.1.2**	Bi-annual reports on meetings held with sector government departments, NGO and potential funders.	2	4 Quartely reportS to Portfolio Commitee	2	**SED: DP&HS**
					1	Copies of complete Economic Studies	**ED35.1.3**	Number of economic studies completed and submitted to Portfolio Committee.	2	2	2	**SED: DP&HS**
Output 1: Implementation of a differentiate approach to municipal planning and support	**SD36**	To facilitate economic development that will result in sustainable job creation.	**ED36.1**	To facilitate the development of key infrastructure to help facilitate the growth of the economy.	0	Report on infrastructral needs that drive and unlock the local economy in Newcastle	**ED36.1.1**	Study/survey to identify key infrastructural needs that drive and unlock the local economy.	N/A	Study to identify key infrastructral needs that drive and unlock the local economy Newcastle		**SED: DP&HS**

Output 1: Implementation of a differentiate approach to municipal planning and support	**SD37**	To facilitate economic development that will result in sustainable job creation.	**ED37.1**	Regulation of the Informal Economy.	Status quo report on Informal traders	Resolutions/Reports	**ED37.1.1**	Develop policy for informal trading and review of the bylaws.	Approval of Informal Trading Policy and Bylaws	N/A		SED: DP&HS
					0	Reports to Portfolio Committee	**ED37.1.1**	Number of reports on events supported	4	2	4	**SED: DP&HS**

7.2. IDP, BUDGET, PMS INTEGRATION THROUGH SDBIP.

At a strategic level, the IDP Priorities are aligned to the National Key Performance Areas. In terms of the IDP, Organizational objectives are incorporated into the Organisational PMS by developing applicable indicators for measuring of performance and then setting of targets (within the available resources as specified in the Budget). All of this is consolidated into an Organisational Score-card in line with the NKPA Model selected as specified in the Framework mentioned above to allow for measuring and reporting of performance at an Organisational/Strategic level.

The Organisational Score-card is then unpacked at a departmental/Vote level and informs the development of Service Delivery Budget Implementation Plans (SDBIP's) to allow for performance reporting at an operational level as is required in terms of the MFMA. Ideally, the SDBIP aligns itself with Powers and Functions, Objectives of the Department aligned to IDP and the allocated budget, relevant indicators and targets. The Service Delivery Budget Implementation plan is then cascaded into Section 57 Performance Agreements.

All of these performance reports are then consolidated into the Annual Performance Report that forms a component of the Annual Report as prescribed in the MFMA. Reporting is done quarterly, with supporting evidence being validated and audited. Monthly reporting is now being advocated through the revision of the framework and the Auditor-General's audit strategy to align the municipality to best practices.

7.3. MONITORING, EVALUATION AND REVIEW.

In terms of the PMS Framework, at the end of every quarter Directorates are expected to submit to the Office of the IDP Manager their completed Organizational Scorecard and SDBIP's for further submission to Internal Audit. Internal Audit thereafter submits to the External Audit Committee, which in turn reviews the PMS and submits recommendations thereon to the EXCO. In the absence of a functional Internal Audit unit, reports were submitted directly to the Municipal Manager, Audit committee and EXCO. An audit review was conducted for the Mid-year assessment only.

The above process is intended to allow the municipality to monitor, evaluate and review its performance based on the National and its own IDP key Performance Indicators. The following table, derived from both the legislative framework for performance management and PMS framework, summarizes for ease of reference and understanding the various performance reporting deadlines as it applies to the Municipality:

Table 53: PMS Reporting requirements

REPORT	FREQUENCY	SUBMITTED FOR CONSIDERATION AND/ OR REVIEW	REMARKS
1. SDBIPs	Quarterly	Executive Committee	See MFMA Circular 13 of National Treasury for further information
2. Monthly budget statements	Monthly	Mayor (in consultation with Exco)	See sections 71 and 54 of the MFMA
3. Organizational Scorecard	Quarterly	Executive Committee	PMS framework
4. SDBIP mid-year budget and performance assessment	Annually during January of each year	Mayor (in consultation with Exco)	See sections 72 and 54 of the MFMA
5. Performance report	Annually	Council	See section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report
6. Annual report	Annually	Council	See chapter 12 of the MFMA

7.4. INSTITUTIONAL PERFORMANCE MANAGEMENT SYSTEM (SECTION 57 CONTRACTS).

In terms of the Regulations for Municipal Managers and Managers reporting directly to the Municipal Manager, all Performance Agreements were signed for the 2011/12 financial year. In respect of the 2012/13 financial year, this will be informed by the approved SDBIP's by beginning of June 2012. In support of the PMS, a list of annexure regarding the SDBIP and Organizational Scorecard are attached in this document.

8. SECTOR PLANS

Ref.	Activity/ Item Description	MEC Evaluation Report Findings	Levels of Execution		*LM Responsibility over Period				Comments
			*LM	*DM	2010/11	2011/12	2012/13	2013/14	
1.	Disaster Management Plan/ Contingency Plan	None	✓	✓	✓	✓	✓	Completed	District Municipality is implementing through shared Services but Newcastle has its own Disaster Contingency Plan in place.
2.	HIV/AIDS Action Plan	None	✓	✓	✓	✓			Complete: - Special Programs are being implemented though SukumaSakhe Provincial Program
3.	Institutional Plan	None	✓		✓	✓	✓	Completed	Completed AND approved by Council
4.	Performance Management System (PMS)	None	✓		✓	✓	✓	Completed	PMS review completed and approved by Council. It's being implemented with Section 57, but rollout is underway
5.	Skills Development Plan	None	✓		✓	✓	✓	Completed	Approved by EXCO and is under implementation.
6.	Financial Management Plan	Identified as the Shortcoming	✓		✓	✓	✓	Completed	Fully-fledged Financial Plan in-place and approved by Council together with the Budget.
7.	Capital Investment Programme/ Framework (CIP)	Identified as Shortcoming	✓		✓	✓	✓	Completed	Three Year Capital Program incorporated into the IDP but the Municipality on the process of developing a five year capital investment program once all sector plans are in place
8.	Integrated Environmental Programme	Identified as Shortcoming	✓		✓	✓	✓	Underway	Draft document completed and is being work-shopped to Council and public participation process.
9.	Local Economic Development (LED)	None	✓		✓	✓	✓	Completed	Completed in November 2012 and is going through implementation
10.	Poverty Relief / Alleviation Programme	None	✓		✓	✓	✓	Completed	Approved by Council and Underway for implementation
11.	Revenue Enhancement Strategy	None	✓		✓	✓	✓	Completed	Review underway, very critical for the LM
12.	Housing Strategy	None			✓	✓	✓	Completed	Draft Housing Sector Plan complete and going through public participation process
13.	Water Services Development Plan (WSDP)	None	✓	✓	✓	✓	✓	Completed 2014	WSDP going through the review process and to be completed next financial year.
15.	Waste Management Plan	None	✓	✓		✓	✓	Completed 2012	Under review to include identification of new landfill site. It's a lengthy process to identify an environmental suitable site
16.	Roads and Storm water Master Plan	None	✓			✓	✓	Completed	The Road and Stormwater plan is done inline with GRAP.
17.	Transportation Plan	None	✓	✓	✓	✓		Completed	Developed by the District. Newcastle has developed the Urban Transportation Plan to mitigate traffic volumes
18.	Electrification Plan	None	✓	✓		✓	✓	Underway	Available with the DC. But Newcastle to develop its own in 2014/2015 financial year

Ref.	Activity/ Item Description	MEC Evaluation Report Findings	Levels of Execution		*LM Responsibility over Period				Comments
			*LM	*DM	2010/11	2011/12	2012/13	2013/14	
19.	Tourism and Marketing Plan	None	✓	✓		✓	✓	Completed	Development underway and to be completed next financial year.
20.	Land Use Management Plan	None	✓		✓	✓	✓	Complete	Available and being rollout to townships and is being replaced by a wall to wall scheme which is underway (PDA)
21.	Spatial Development Framework	Identified as good	✓		✓	✓	✓	Completed	Review SDF approved by Council together with the IDP 2014/15
22.	Gender Employment Equity Plan	Identified as shortcoming	✓		✓	✓	✓	Completed	Approved by EXCO and implementation underway.
23.	Communication Strategy	Identified as shortcoming	✓		✓	✓	✓	Underway	To be developed next financial year
24.	IT **Communications Policy**	Identified as shortcoming	✓		✓	✓	✓	Completed 2012	Approved by EXCO and implementation underway
25.	**IT Policy and Asset Management Policy**	Identified as shortcoming	✓		✓	✓	✓	Completed 2012	Approved by EXCO and implementation underway
26.	Fraud and Corruption Prevention Strategy	Identified as shortcoming	✓			✓	✓	Completed 2013	Approved and implementation underway, very critical for the LM
27.	Cemetery Plan	Identified as shortcoming	✓			✓	✓	Underway	Investigation on identification of suitable sites underway and to be completed in next financial year

SECTION 9: ANNEXURES.

ANNEXURE A: BACK TO BASICS TEMPLATE (2014/15).
ANNEXURE B: SPATIAL DEVELOPMENT FRAMEWORK (2015/16).
ANNEXURE C: AG AUDIT REPORT AND RESPONSES (2013/14).
ANNEXURE D: ORGANISATIONAL SCORECARD (2015/16).
ANNEXURE E: SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN (2015/16).
ANNEXURE F: NLM CONSOLIDATED RISK REGISTER (2015/16).
ANNEXURE G: NLM DISASTER MANAGEMENT PLAN.